FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,056 Wednesday January 2 1980 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Soames issues appeal to guerrillas

Rhodesia's British Governor Lord Soames last night issued an urgent appeal to guerrillas to observe the ceasefire and report to agreed assembly places, as a growing number of incidents of lawlessness were reported.

With little more than 2,000 of the estimated 15,000 to 20,000 guerrillas having reported to rendezvous points in the first four days of the ceasefire, Lord Soames said it was of "crucial importance" that they assemble and warned that after Friday their presence outside the areas would be "unlawful."

In spite of the delicate state of the ceasefire, preparations for the election are going ahead. Patriotic Front leader Joshua Nkomo plans to return to Salisbury on Sunday, for the first time in three years, to lead his party's campaign in the poll. Page 2

Tehran gloom

UN Secretary-General Kurt Waldheim arrived in Tehran with little immediate hope of his being able to obtain the release of the U.S. diplomats held hostage and no guarantee of seeing Ayatollah Khomeini. The Security Council resolution on UN sanctions adopted on Monday night may prove counter-productive to his efforts to resolve the crisis. ack Page

Israeli fears

Israeli Government fears that the U.S. decision to increase aid by only $200m (£90m) for the next financial year is the beginning of political pressure related to the lack of progress in talks with Egypt on "autonomy" for Arab inhabitants of the West Bank and Gaza Strip. Back Page

Ulster tragedy

Two soldiers were shot dead in South Armagh by members of their own unit when an ambush went wrong. Lt. Simon Bates and Pte. Gerald Hardy were mistaken for terrorists and shot without challenge.

Nenni dies

Pietro Nenni, one of the fathers of Italian socialism and of the country's republic, died in Rome of a heart attack, aged 89. President of the Italian Socialist Party, Sig. Nenni was for 60 years at the centre of political life in Italy. Page 2

Mother freed

London mother-of-three Mrs. Abide Mehmet, who spent four months in Istanbul's notorious Sagmalcilar jail on charges of insulting the Turkish nation, is expected to return home this week, British consulate sources said.

Increased sales

The big London stores reported that business had picked up sharply following the slow start to the pre-Christmas build-up. Page 6

Racing at Cheltenham today has been abandoned. Dare Wigan's racing notes will not appear.

Skinner's fall

Labour MP for Bolsover Dennis Skinner was found unconscious on a moorland road near Chesterfield after a fall off his bicycle. A passing motorist took him to hospital where he complained of head pains.

Briefly . . .

Army bomb disposal experts defused a 700 lb IRA bomb which had kept the County Tyrone Carrickmore to Omagh road closed since Saturday.

At least 22 people died in a fire at a Chapis, Quebec club.

Fourth earthquake since Boxing Day hit Scotland shaking homes in the Borders.

Cool winds limited competition in the world fly-swatting championships in Australia. There were 200 entrants but only 300 flies.

BUSINESS

1979 ends with gold up $300 an ounce

● GOLD AND SILVER prices jumped sharply in London on Monday, ending a year of record gains for both. Gold rose by $16½ an ounce to close at $526¼ —almost $300 higher than at the beginning of 1979. In New York later the price rose to $530. Silver shot ahead 197.15p an ounce to 1,446.85p, equivalent to two-thirds of the metal's value at the start of 1979. Back Page

● RECESSION is forecast in the first half of this year on the basis of the U.S. Index of Leading Economic Indicators, which fell 1.3 per cent in November after a 1.4 per cent drop in October. Page 2

● GLOOMY prospect is forecast for the British economy in the first half of the 1980s by stockbrokers Phillips and Drew, who doubt whether Government policies will significantly cut inflation or restore output growth. Page 3

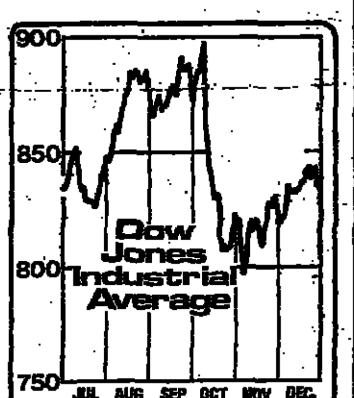
● SIR KENNETH CORK'S Insolvency Law Review has advised the Government to abolish personal bankruptcy procedures in most cases and reserve such litigation "for the bad cases." Back Page

● NATIONAL COAL Board figures show a steady rise in coal production and productivity over the last half of 1979, and the annual output target should be achieved. Page 4

● BRITISH PETROLEUM has returned to Tehran to negotiate term contracts for Iranian crude oil in 1980, and the conditions of sale are believed to have improved since the last talks a month ago. Page 2

● INDIA and the Soviet Union have signed a trade protocol providing for turnover of Rs 20bn (£1.1bn) this year, which would make Russia India's largest trading partner.

● EQUITIES weakened on Monday in thin trading due to the gloomy economic outlook and



increased international tension. The FT 30-share index fell 3.6 to 414.2 for a loss on the year of 56.7 or 12 per cent. Page 16

● WALL STREET closed 0.17 lower on Monday at 838.74, for a rise in 1979 of 33.73. Page 15

● GILTS were dull with losses mostly limited to ¼. The FT Government Securities Index lost 0.39 to 65.10. Page 16

● STERLING weakened on Monday in subdued trading ahead of the holiday. In terms of the dollar, it lost 1.45 cents to close at $2.2200 ($2.2345) and its trade-weighted balance slipped to 70.2 (70.3).

● NATIONAL ECONOMIC Development Council report recommends a cut in steel castings output from the present 200,000 tonnes a year to 150,000 tonnes. Page 4

LABOUR

● BRITISH RAIL has told unions it cannot afford to pay part of the increase awarded by arbitrators.

● THE TUC will be brought to settle a dispute between two print unions—the NGA and NATSOPA—which has led to a two-week strike in Warrington. Page 4

CHIEF PRICE CHANGES MONDAY

(Prices in pence unless otherwise indicated)

RISES		
Bambers Stores	80	+ 10
Bowring (C. T.)	133	+ 3
Broken Hill Prop.	595	+ 30
Carr's Milling	78	+ 6
Collins (William) A	80	+ 5
Gordon (Luis)	52	+ 6
Hestair	29	+ 4
M & G Holdings	136	+ 5
Prestwich Parker	23	+ 6
Savoy A	103	+ 4
Tebbitt	14	+ 6
Vosper	160	+ 5
Wilkinson Match	142	+ 4
Candecca Res.	99	+ 7
Viking Oil	610	+ 30
Harrisons Mlyn. Est.	169	+ 8
Cent. Pacific Mines	£17	+ 1
Free State Saaiplaas	234	+ 21
Impala Platinum	240	+ 10
Lennard Oil	64	+ 6
North Kalgurli	44½	+ 4½
Southn. Pacific Pets.	670	+ 40
Tanks	250	+ 22
FALLS		
Excheqr. 10% 1983	£86	− ¼
GKN	247	− 5
ICI	354	− 6
Land Secs.	254	− 5
Lloyds Bank	302	− 6
Lucas	230	− 4
Thorn Electrical	272	− 6
Buffels	£13¼	− ¼
Pres. Steyn	£12¾	− ¼

Russians reinforce troops as Afghan resistance goes on

BY OUR FOREIGN STAFF

THE SOVIET UNION has further reinforced its troops both in Afghanistan and on the Russian side of the border in the face of continued resistance inside the country and increasingly hostile reaction abroad.

Diplomats in New Delhi, quoting reports from the capital, Kabul, say that Russian troop strength in the country is between 30,000 and 40,000. A similar number is said to be deployed across the Soviet frontier.

The troops are said to have been involved in clashes both in Kabul and in the rugged Afghan countryside, but there was no confirmation of whether the resistance was by forces loyal to the executed President Hafizullah Amin, or by militant Islamic rebels pledged to end Marxist rule.

The greater part of the Afghan Army in Kabul and in those areas already under Russian occupation is claimed by Afghan rebels outside the country to have been disarmed and confined to barracks, possibly in the first stage of a purge by the new regime.

The rebels, speaking from Peshawar in Pakistan near the Afghan border, said yesterday that three important barracks close to Kabul had been surrounded by Soviet troops.

Diplomats in Islamabad said Kabul was quiet, and that Soviet armoured units had reached Jalalabad, less than 50 miles from the Pakistani border.

Figures for Soviet casualties in the upheaval are not known. But in Moscow the State-controlled Press indicated clearly that Russia had no intention of withdrawing her troops until a reliable pro-Soviet power base had been established.

The Soviet Government newspaper Izvestia said last night that Soviet troops were sent "to

Lombard, Page 6
The invasion of Afghanistan, Page 8

defend the revolution against outside interference."

At a special session of the NATO Council in Brussels member-countries considered responses to the Soviet intervention.

These ranged from moves in the UN to trade sanctions and a boycott of this year's Olympic Games in Moscow. A joint communiqué after the meeting was considerably less forthright than the statement that followed Monday's six-power talks in London.

At that meeting Britain, the U.S. Canada, France, West Germany and Italy warned that the Soviet intervention "could carry grave implications for the future," and agreed to "review" their relations with both the Soviet Union and Afghanistan.

On Monday President Jimmy Carter in effect accused President Leonid Brezhnev of lying in his explanation of the Soviet action.

Mr. Carter said in a television interview that Mr. Brezhnev's claim that the Soviet Union had intervened at the request of Mr. Amin was "obviously false."

The events in Afghanistan mean that prospects for ratification of the Strategic Arms Limitation Agreement appear dim.

Senator Frank Church, chairman of the Foreign Relations Committee, expressed what is a growing consensus view that the Soviet invasion "makes it more difficult to judge the treaty on its merits."

The Soviet intervention has increased tension in an already fragile region of great strategic importance.

Afghan rebels in Pakistan say their ranks have been swollen by several thousand deserters from the Afghan Army. The number of refugees fleeing into Pakistan is growing.

In Iran a crowd of Afghans attacked the compound of the Soviet Embassy in Tehran yesterday and burned the Soviet flag before being repelled by Iranian revolutionary guards firing into the air.

Iran radio said thousands took

Continued on Back Page

Monetary control system changes likely this year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CHANGES IN the monetary control system, which could mean more frequent changes in interest rates, are likely to be introduced in the middle of the year after publication of a Treasury and Bank of England consultative paper in a few weeks.

After two or three months of detailed discussion a decision will probably be announced in the spring Budget, with implementation in the summer.

The Government is expected to express a clear preference for a monetary base system of control among the three or four options included in the paper.

The proposals are likely to be limited rather than radical, and to be presented as a modest, though useful, means of improving monetary control. Any changes are intended to be only an adjunct to the basic determinants of the monetary stance such as the policies for public sector borrowing and for interest rates.

At present the Government tries to achieve its monetary objectives by interest rates, sales of gilt-edged stock and by devices such as the corset which restrict the growth of the interest-bearing deposits of the banks. However, the corset creates major distortions and the already large scope for evasion has been increased by the ending of exchange controls.

Under a monetary base system the Government would exercise more direct control on notes and coin and bankers' balances at the Bank of England. There would be a fixed ratio between them and the deposits of the banking system.

This would be related to a target for the growth of the money supply. At present this is sterling M3, which consists of cash and bank current and deposit account in sterling. This will probably be retained though there could be slight change to M3, which includes foreign currency deposits.

Ministers believe the main advantage of a monetary base system is that it would help to bring about a quicker response of interest rates to changes in monetary conditions. This could mean more volatile, and possibly higher, interest rates than at present.

The extent of the change—for example, the assets to be included in the base—is unclear and drafting is still going on in the Treasury.

Ministers are, however, determined not to over-sell any changes which are strongly favoured by many monetarist economists. Indeed the consultative paper is likely to be primarily concerned with means of achieving monetary control rather than with the monetary base idea as such. It will emphasise the importance of the right mix of fiscal and monetary policy.

Similarly the document is likely to reflect some of the scepticism about possible changes voiced during the lengthy debate in the Treasury and Bank in the last few months. This turns on the extent to which a monetary base system would be more automatic than at present and would reduce the need for discretionary action by the authorities. It is likely that the Bank will not relinquish all its controls on interest rates.

Ministers are also concerned to avoid the disruptions which followed the introduction of the Competition and Credit Control policy 10 years ago. Consequently, the changes will be designed to be as simple and as comprehensible as possible with minimal impact on the present institutional arrangements.

In the City there will be particularly close interest in the extent to which the special position of the discount houses will be changed, and also in whether methods of selling gilt-edged stock will be altered.

Record year for airliner sales

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S civil airliner manufacturers had a record year in 1979. Firm orders were placed for well over 700 jet airliners, worth an estimated $20bn (more than £9bn) including spares.

If options and letters of intent are included, airlines have committed themselves to well over 900 new aircraft. This is an improvement on 1978, when firm orders and options amounted to just over 800 aircraft.

There have been substantial orders for turbo-prop airliners, and business and executive jets have also been in strong demand.

As a result, the world's major aircraft manufacturers have order books that will keep them occupied throughout the mid-1980s.

Most manufacturers are confident that this trend will continue into the early 1990s because of the need to replace ageing equipment. Much of this has been in service for almost 20 years. It is becoming increasingly unacceptable because of noise and expensive to fly as a result of soaring fuel costs.

The new generation of jets is up to 30 per cent or so better in terms of fuel consumption and other operating costs than the equipment being replaced, and are fitted with quieter, new-technology engines.

It is estimated that before the re-equipment tide slackens up to 3,500 new jets will be ordered, worth over $100bn (over £45bn). The world's airlines are at present only about half-way through their re-equipment programme.

This means that a high ordering rate is likely during 1980, even though passenger traffic may fall off as a result of economic difficulties in the wake of higher oil prices.

Boeing's was the biggest individual success story of the past year. The company logged orders for 314 jets — one 707, 106 medium-range 727s, 76 short-range 737s, 80 Jumbo 747s and 51 of the new semi-wide-bodied 767s.

No orders were placed for the smaller, narrow-bodied

Continued Back Page

Tourism expansion forecast. Page 3

CONTENTS

For latest Share Index phone 01-246 8026

Currency freedom attracts investors

BY DAVID MARSH

CUSTOMERS of the High Street clearing banks have quickly developed a taste for the foreign currency banking facilities now freely available after the abolition of exchange controls in October.

Since then residents have probably increased their foreign currency deposits at banks in Britain by about £1bn.

Much of the increase is accounted for by business abroad. Companies may now build up stocks of foreign currencies—for instance, proceeds of export orders—without Bank of England permission.

Before the lifting of controls, companies normally had to convert foreign exchange income into sterling.

But there has also been a significant rise in foreign currency accounts opened by individuals. This represents transactions ranging from cash for holiday villas abroad to speculative stocks of "hard" currencies.

Some bankers believe that the move into foreign currencies has been restrained by the strength of the pound over the past two months.

While sterling is held up on the foreign exchange markets by the benefits of North Sea oil, there has been a reluctance to keep foreign currencies

However, if sterling re-entered a weak phase, the ease with which UK residents can now switch into foreign exchange would probably exacerbate downward pressure on the currency.

National Westminster Bank, which in November was the only one of the Big Four UK banks to publicise actively its new foreign currency banking facilities, reports that it is "encouraged" by the response from customers.

Several hundred new accounts have been opened each week since the abolition of controls—mainly in U.S. dollars, as well as Deutsche Marks, French francs, Dutch guilders, Swiss francs and Japanese yen.

All the clearers are coy about giving details of the volume of new accounts. But Lloyds says there has been a "significant response," Midland a "reasonably substantial" rise, and Barclays "an increase—though not dramatic."

£ in New York

—	Dec. 31	Previous
Spot	$2.2150-2150	$2.2290-2310
1 month	0.48-0.41 dis	0.48-0.43 dis
3 months	1.26-1.18 dis	1.16-1.10 dis
12 months	4.55-4.40 dis	4.15-4.00 dis

Unions hint at three-month steel strike

BY NICK GARNETT, LABOUR STAFF

BRITISH STEEL Corporation's dozen iron and steel making centres stood idle this morning at the start of the national steel strike which union predictions said could last up to three months.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, the largest steel union, said yesterday that the strike could "easily" continue for six weeks with the prospect of it dragging on for 10 weeks or longer unless the corporation made substantial improvements in its pay offer.

His union could sustain a strike as long as that said Mr. Sirs, and the attitudes of his 90,000 members would gradually harden.

The corporation says there is enough steel in the system to cover manufacturing at present levels for up to six weeks

Mr. Len Murray, TUC general secretary, has cancelled a holiday because of the dispute and will meet the general secretaries of the steel unions, including Mr. Sirs and Mr. Moss Evans, general secretary of the Transport and General Workers Union this afternoon.

Mr. Sirs will ask the TUC to give guidance to other unions on assisting steelworkers during the dispute.

Mr. Sirs has been discussing the position with Mr. Evans, who is expected to recommend to his road transport and dock groups that they should provide assistance. Mr. Evans and his national officials will consider the matter over the next three days and instructions will then go out to his membership.

The impact of the strike will be partly affected by the amount of co-operation the ISTC and the Blastfurnacemen receive from other unions.

This morning Mr. Sirs is meeting Mr. Sid Weighell, general secretary of the National Union of Railwaymen, which has already said it will give the steelmen full assistance.

The train drivers' union, ASLEF, has agreed not to move any steel imports, raw materials and finished products to and from BSC plants, nor BSC steel in transit.

Impact of the shutdown. Page 4

Bowring goes to courts

BY ANDREW FISHER

C. T. BOWRING has taken to the U.S. and British courts to try to head off the takeover approach signalled by Marsh and McLennan of New York, the world's largest insurance broker.

Bowring, one of Britain's leading insurance broking concerns, also owns the Bowmaker credit group and the Singer and Friedlander merchant bank. It is attempting to stop Marsh from using confidential information supplied during earlier talks about a pooling of their insurance interests.

After the breakdown of these talks the U.S. group said last month it was considering a formal takeover bid. Bowring is opposed to the move, and has begun actions in the Federal District Court for the Southern District of New York and in the High Court in England.

It alleges that a takeover offer by Marsh would constitute an illegal use or publication of such confidential information. At the latest Bowring share price of 130p, the UK company is valued in the market at about £140m.

Mr. Geoffrey Williams, deputy chairman of J. Henry Schroder Wagg, which is advising Bowring, said yesterday that Marsh had a great deal of information that the UK company's shareholders did not.

Apart from trying to prevent Marsh from using the information to mount a bid, Bowring also wants to stop Marsh from including it in the documents it will have to file with the Securities and Exchange Commission in the U.S.

Marsh has to file a statement with the SEC if it wants to use its own stock as part of the bid terms, and any information included about Bowring would become public knowledge, Mr. Williams said.

"We have to look at it from the point of view of Bowring as an independent company," he said. Some of the information would have come out anyway under a pooling arrangement, but not until agreement was virtually certain.

Bowring says it is still keen on a solution which would enable each group to keep its own integrity and independence. "We stand ready to re-open discussions with Marsh on a pooling basis."

Ceasefire violations worry the British

Nkomo returns from exile on Sunday

SALISBURY—Patriotic Front guerrilla leader Joshua Nkomo is to return to Rhodesia from exile next Sunday, for the first time in over three years, according to his spokesman.

Mr. Willie Musarurwa, publicity secretary of Mr. Nkomo's ZAPU (Zimbabwe African Peoples Union) made the announcement to 3,000 cheering supporters at a rally in the black township of Harare.

Mr. Musarurwa, who returned here from Lusaka yesterday, said it was possible both leaders of the Patriotic Front—Mr. Nkomo and Mr. Robert Mugabe—would return together. He said the Front would fight the election as a single entity. "We are going to fight as PF, that is the position," he said.

Mr. Mugabe's ZANU (Zimbabwe African National Union) has announced that it will go it alone at the polls, forming only a loose alliance with ZAPU.

Rhodesian troops went into action against Patriotic Front guerrillas yesterday for the first time since the ceasefire was declared four days ago. A British military spokesman said the troops struck against a group of 10 guerrillas who attacked a farm near Sinoia, 60 miles north-west of Salisbury. Seven guerrillas were killed.

It was not immediately clear who ordered the troops out of their bases, where they are supposed to be monitored by a 1,300-man Commonwealth force drawn from Britain, Kenya, Fiji, New Zealand and Australia.

Rhodesian military headquarters reported that two whites, one a soldier and the other a woman civilian, had been killed and five people had been abducted during the continuing hostilities.

Only about 1,000 of the estimated 18,000 guerrillas in the country have reported to assembly points, a British spokesman said. A further 2,000, half of them from Mr. Nkomo's wing of the Front, massed north-west of Bulawayo, were believed to be waiting to report to the 16 assembly points manned by Commonwealth troops.

Agencies

Mark Webster reports from Salisbury: Pressure is increasing on the Commonwealth monitoring force to convince both signatories to the ceasefire agreement that it is still holding despite repeated violations.

The British are anxious to minimise the number of breaches by re-classifying incidents such as cattle theft, previously regarded as terrorist activity. The Rhodesian army maintains, however, that the continued presence of guerrillas is responsible for these thefts and many other incidents.

One of the most active areas is along the Mozambique border, where continued activity by members of Mr. Robert Mugabe's Zanla forces has forced Lord Soames the British Governor, to lift restrictions on Rhodesian security forces, who were previously confined to an area four kilometres around their bases.

Border troops are now entitled to move against Patriotic Front forces without necessarily consulting the local Commonwealth monitoring force first.

Sharp drop in U.S. economic indicators

By Jurek Martin, U.S. Editor, in Washington

A MODERATE economic recession is in store for the first-half of this year in the U.S., according to the latest statistics released here. The index of leading economic indicators, designed to point to future economic activity, fell sharply in November by 1.3 per cent.

This follows a revised 1.4 per cent decline in October — worse than the 0.9 per cent original calculation: together, the two months constitute the sharpest drop since the onset of the 1974-1975 recession.

Seven of the 10 component parts of the index fell in November, led by a steep fall in the number of building permits, which had risen until the last couple of months. hTe index had principally reflected problems in the financial and stock market sectors, but is now showing weaknesses in the productive side of the economy.

Most Government and private forecasts still expect that the economy will show a small real expansion in the final quarter of 1979—largely because of the durability of consumer spending.

However, it now seems apparent that the problems of major industrial sectors—most noteably steel and cars, are beginning to be felt. There have already been reports of considerable cutbacks in new factory orders in December.

The fact that the economy has managed to avoid slipping into recession over the last nine months has induced the Administration not to seek major across-the-board tax cuts in its fiscal 1981 Budget, which it presents to Congress later this month.

Soviet Union to become India's top trade partner

BY K. K. SHARMA IN NEW DELHI

INDIAN AND the Soviet Union have signed a trade protocol that envisages a turnover of Rs 20bn (£1.1bn) in 1980, a record for the two countries. This will make the Soviet Union the largest trading partner of India and the second largest in terms of the value of imports.

The agreement was signed here by Mr. I. T. Grishin, the Soviet deputy Foreign Trade Minister, and Mr. A. C. Gill, the Indian Commerce Secretary, following a year in which bilateral trade was expected to reach Rs 16bn.

The protocol includes the suply of 1.5m tonnes of crude oil and 1.7m tonnes of petroleum products—mainly diesel and kerosene which are in short supply in this country—thereby relieving the pressure on supplies of a vital import. Russia is charging OPEC rates for these supplies.

With the signing of the protocol, which continues the pattern of barter trade on a balanced basis developed over many years, goods exchanged have been substantially diversified.

Indian imports have shifted from capital goods and machinery to crude, fertilisers, non-ferrous metals and newsprint.

Exports to the Soviet Union are mostly "non traditional items," including shipments of capital goods from Soviet-aided plants in India which now face the prospect of surplus capacity.

India and the Soviet Union have also agreed to work out a long-term trade agreement to cover the period from 1981 to 1985, which envisages doubling the annual trade turnover from that in 1979 to Rs 30bn.

Also envisaged is "production co-operation" which will involve setting up plants to cater to the needs of both countries as well as co-operation on exports to other countries, particularly in the Third World. Talks on this began some time ago and have not made much headway. The two countries have decided to step up the pace of implementating agreement on these arrangements.

Trade between India and the Soviet Union will continue on the basis of settlement in Rupees, an arrangement that has been terminated with most East European countries. This, in essence, means barter trade on a balanced basis, although it involves extension of "technical credit" for any imbalance on either side.

BP negotiates Iran crude deals

BY SIMON HENDERSON IN TEHRAN

BRITISH PETROLEUM has returned to Tehran to negotiate term contracts for Iranian crude in 1980 and the conditions of sale are believed to have improved since talks a month ago. Shell, after BP Iran's second biggest customer, is also said to be preparing to negotiate a contract.

The contracts, however, represent higher prices for smaller quantities, compared to the 1979 arrangements. Originally BP was offered 100,000 barrels a day, according to Mr. Ali Akhbar Moinfar, the head of the National Iranian Oil Company. Shell was offered 80,000 per day. Both companies denied these figures, a sharp fall on 1979 liftings of 385,000 barrels per day and 195,000 b/d respectively.

Those associated with the talks said yesterday that the quantities were now slightly higher and the price was much improved. They refused to give further details.

The price for Iranian crude is made up half of oil at the official Iranian price of $28.50 per barrel and the other half at a premium price related to the spot market. Previously it was thought that BP and Shell were being offered oil effectively at $35 a barrel.

The Kyodo News Service of Japan reported yesterday the new price was $30 a barrel.

The new Iranian position represents a substantial cooling of the aggresive stand taken before the Caracas meeting of OPEC. At that meeting, Iran failed to push through a hard-line sales and pricing policy.

In Tehran on Monday, Mr. Moinfar said next year's oil production would be between 3m and 3.5m b/d, of which up to 1m b/d would be for domestic consumption. This is an increase over previous domestic requirements of 700,000 b/d.

The head of NIOC was not able to give details of contracts signed for 1980 but said there had been many. After the first round of talks a deadline of December 30 had been set for BP and Shell to return if they were not to be offered even less oil, he said.

U.S. edge feared despite GATT pact

By David Buchan in Washington

IT WOULD be a nasty irony if the accords for freer trade negotiated under the umbrella of the General Agreement on Tariffs and Trade (GATT), in force as of yesterday, precipitated an avalanche of protectionist suits in the U.S.

But it could happen that way.

Certain changes in the U.S. anti-dumping and countervailing duty laws accompanying the GATT agreements, on balance favour domestic industry—or so it is feared by importers and their U.S. lawyers.

A wide range of products, many from EEC countries, has been mooted as possible targets of "unfair" trade suits by U.S. companies early in the New Year, including steel, coking coal, shoes, chemicals and semiconductors. It is not easy to forecast how much of the protectionist stirrings within domestic U.S. industry will actually materialise into action.

The most vociferous complainant, U.S. Steel, the country's largest steel maker, has already threatened action against what it argues is dumped or unfairly subsidised imports from companies such as the British Steel Corporation. But the precise nature of what it plans in the New Year has been kept a close secret even from its fellow American steel makers.

This is not surprising.

To some extent, the strong words by U.S. Steel's chairman, Mr. David Roderick, may be a bargaining tactic to try to push the U.S. Government into relaxing expensive environmental regulations, or it may be simply using imports as a scapegoat for its internal problems that recently led the giant company to announce the closure of 15 plants and the laying off of 13,000 workers. Certainly, the Commerce Department has forecast that while total domestic steel sales will *fall* by 5 per cent in 1980, imports into the U.S. will drop by slightly more.

On the other hand, President Carter wants to get re-elected this year. His new Special Trade Negotiator, Mr. Reubin Askew, publicly admits that "there is no question that trade policy becomes more sensitive to the interests of constituent groups in an election year."

But his deputy, Mr. Robert Hormats, points out that foreign countries won a substantial concession from the U.S. in the GATT negotiations when the latter agreed to incorporate into its law the concept that U.S. companies could only get redress against import competition if they could show they had suffered "material" injury.

The EEC pushed for this to be written into U.S. law. Following much baulking by Congress, the word "material" was eventually accepted in the new legislation and convolutedly defined as a "harm which is not inconsequential, immaterial or unimportant."

In return, however, Congress insisted on two changes: More "effective" dumping and countervailing duty laws for U.S. petitioners, and a reorganised federal bureaucracy to administer them. The revamping of the trade bureaucracy consisted of removing responsibility for administering unfair trade laws from the often dilatory Treasury. It was thus parcelled out between the Commerce Department, with the job of the day-to-day administration of the laws and carrying out investigations, and the Special Trade Representative's (STR) office with the role of overall trade policy co-ordinator.

Probably the *most* important procedural change in the law has been to impose much shorter and stricter timetables on U.S. Government agencies to settle anti-dumping and countervailing duty cases.

The Commerce Department and/or the STR's office will now have only a bare three weeks to decide whether a U.S. petitioner has a prima facie case.

Certainly, in the recent case of television receivers from Japan, the Treasury seemed to have been tardy to a degree

American lawyers handling importer interests seem convinced the tightened timetables will frustrate their cause.

Where many of the trade decisions will necessarily have to be made off the cuff because of the tight time schedule, the pressure, they say, will be on the agencies to go ahead with the case. The bias will be to place more weight on the domestic petitioner's evidence.

Mr. Harald Malagren a former deputy special trade negotiator in preceding Republican Administrations and now a Washington-based trade consultant, says that Congressional pressure is now clearly on the Administration to press home the cases brought to it.

Portuguese Cabinet cut to 15

BY OUR LISBON CORRESPONDENT

PORTUGAL'S twelfth post-revolutionary Government is to be sworn in tomorrow. As expected, Dr. Francisco Sa Carneiro, the new Prime Minister and leader of the Social Democrats, has appointed Sr. Diogo Freitas do Amaral, the Christian Democrat leader, as his Deputy Premier and Minister for Foreign Affairs. The Minister's main task will be to speed up negotiations for Portugal's entry to the European Community.

The Cabinet will be the smallest since the 1974 revolution with only 15 Ministers and contains no military figures. Previously the defence and internal affairs portfolios have been reserved for members of the armed forces but Dr. Sa Carneiro has chosen two civilians, Sr. Amaro da Costa (Christian Democrat) and Sr. Eurico de Melo (Social Democrat).

The new Minister of Finance and Planning will be Sr. Anibal Cavaco Silva, currently director of statistics and economic studies at the Bank of Portugal. Sr. Silva lectures at Lisbon New University and has been a member of th Portuguese delegation in negotiations with the International Monetary Fund.

Sr. Alvaro Barreto returns to the post of Minister of Industry which he held under the non-party Mota Pinto Government. The portfolio of commerce and tourism is also in familiar hands. Sr. Basilio Horta, the Christian Democrat's vice-president and spokesman held the same post in the short-lived coalition Government of Socialists and Conservatives in 1978.

Sr. Francisco Pinto Balsemao, founder member of the Social Democrats and editor-in-chief of the liberal weekly, Expresso, has been appointed Deputy Minister of State to the Prime Minister.

The Cabinet includes nine members of the Social Democrat Party, five Christian Democrats and one independent.

Canadian prices likely to rise

By Robert Gibbens in Montreal

RETAIL food prices in Canada are expected to rise between 11.3 and 13.5 per cent in 1980, according to the Retail Council of Canada. The momentum will come from higher prices for imported products, for beef and processed foods and also for packaging.

The exchange value of the Canadian dollar is likely to vary between 83 and 87 U.S. cents. Rising energy costs in the U.S. will push up transport costs, and this is expected to be a major factor in higher imported food prices, especially later this winter.

Processed foods should show "dramatic price increases" because of escalating production costs. Beef prices are likely to rise about 15 per cent in 1980 against 30 per cent in 1979 and 46 per cent in 1978 and pork and poultry prices between 5 and 15 per cent.

Khalil cleared in Siemens probe

BY ROGER MATTHEWS IN CAIRO

THE EGYPTIAN Government and its Prime Minister, Dr. Mustapha Khalil, have been cleared by a special parliamentary committee of any impropriety in the award of a $1.8bn (£810m) telecommunications contract to a West European consortium.

The inquiry had been called for by Dr. Khalil following allegations in Al-Shaab, the socialist weekly newspaper. The newspaper said that the Government should have put the contract out to international tender and alleged that commissions had been paid.

In its report to Parliament the nine-member committee, which includes five members of President Sadat's ruling National Democratic Party, stated that the Government had acted properly, that no commissions had been paid, and that the contract was to Egypt's economic benefit.

It pointed out that the consortium members, Siemens of West Germany and Austria and Thomson CSF of France, had agreed to provide the total $1.8bn financing at 5.5 per cent over 15 years with a five-year grace period. None of the other potential bidders for the contract had been able to match these terms.

The deal will add another 500,000 lines to Egypt's existing 350,000 line network, and the winning consortium anticipates further contracts in the future to continue and extend the modernisation programme.

However, it is understood that the details of the financing package are far from complete three months after the initial contract was initialled in Cairo.

The Government believes that by having publicly quashed the accusations over the telecommunications contract it will now be free to conclue other major deals without necessarily going to international tender and without the attendant risks of rumour and innuendo.

The Prime Minister has also reserved the right to instigate further action against the leadership of the socialist party and the author of the offending article.

Palestinians to fight takeover

By David Lennon in Tel Aviv

A ROW is brewing between Israel and the Palestinians on the occupied West Bank of the Jordan after an announcement that the Government intends to make a forced purchase of the Arab-owned electricity company in Jerusalem.

West Bank leaders have said they will fight the takeover by every legal means and may appeal to the International Court in The Hague.

Israel's Minister of Energy announced on Monday that the Government intended to terminate the concession of the Jerusalem District Electricity Corporation in a year's time, as allowed by a review clause in the concession originally granted to the company by the Turkish administration in 1914. The Minister said the step was necessary because of the corporation's inefficiency and its inability to keep pace with the growing demand

West Bank leaders have denounced the move as part of a plan to eliminate all the independent economic resources of Palestinians in the West Bank.

Italian Socialist leader dies of heart attack

BY PAUL BETTS IN ROME

ITALY paid emotional tribute yesterday to Sig. Pietro Nenni, one of the fathers of Italian Socialism and of the country's republic, after he died of a heart attack aged 89.

President Sandro Pertini, also a Socialist, immediately interrupted a brief holiday in the South of France and flew back to Rome yesterday.

Sig. Nenni was President of the Italian Socialist Party and one of the most popular—if at times controversial — political figures in the country.

For 60 years he was at the centre of Italian political life. Only a few days ago, he was reported to be preparing his speech for next week's key meeting of the Socialist Party's Central Committee.

As a young man Sig. Nenni was a friend of Benito Mussolini when Mussolini was still a Socialist. Later he became one of his fiercest opponents.

In 1948 Sig. Nenni helped form the so-called Italian Popular Front between Socialists and Communists. But he broke off relations with the Communists after the Soviet invasion of Hungary in 1956.

Sig. Pietro Nenni: founder of Italian Socialism

Subsequently he worked to bring the Socialist Party into Government, succeeding with the ill-fated experiment of the centre-left Government of the 1960s, when the Socialist Party entered into a coalition with the long-ruling Christian Democratic Party.

In 1963 he became Deputy Prime Minister in the first centre-left Government of the late Sig. Aldo Moro

VAT introduced in Mexico

By William Chislett in Mexico City

MEXICO yesterday brought into force a 10 per cent Value Added Tax in a drive to increase Government revenue and make the tax system more efficient. VAT replaces the 4 per cent mercantile sales tax. An attempt to introduce VAT in 1969 met with such a storm of protest from the private sector that the idea was dropped.

But now the private sector has generally accepted the idea, although there is argument over its inflationary impact. According to the Mexican Association of Economists, prices will rise by 3 per cent in the first few months of 1980 just because of VAT, but then its effect will be more stabilising.

UK implements Tokyo Round

FINANCIAL TIMES REPORTER

THE FIRST instalment of the eight stages of tariff cuts and most of the non-tariff barrier agreements, which make up the Tokyo Round trade package, went into effect yesterday.

This follows the signing of the package in Geneva on December 17 by 20 member nations party to the General Agreement on Tariffs and Trade. Most of the signatories represented industrialised countries.

Commenting on the world trade regulatory accords, Mr. Cecil Parkinson, the Minister for Trade, said:

"It is appropriate that the first day of this new decade should see the implementation of the major part of this new framework of rules in which international trade will be conducted through the 1980s.

He noted that most of Britain's major trading partners had already completed the necessary legislative procedures "or expect to do so" in the first few months of 1980.

"Faithful implementation in both letter and spirit will help minimise the barriers in what could be a difficult decade for international trade.

The key point in the package calls for phased cuts in the industrial tariffs (averaging less than a third) of the EEC's main industrialised trading partners, matched by equivalent reductions in the EEC's common external tariff.

Also of particular concern to the UK are a customs valuation agreement providing for greater uniformity in the methods of arriving at the value of which duties are based. This agreement will be implemented by the U.S. and the EEC on a bilateral basis beginning next July 1.

Another aspect is an agreement on Government procurement liberalising the purchasing procedures for products and supporting services on Government contracts worth approximately £100,000 or more. This will go into effect on January 1, 1981.

In his notebook on the Indian election, **David Housego** takes the temperature of a listless electorate.

Mrs. Gandhi offers voters the comfort of a familiar figure

IN WIDE STRETCHES of north India drought matters more than this week's election. The traveller from Lucknow to the small town of Unnao and eastwards into Uttar Pradesh sees fields on either side of the road reduced to a dust-bowl. Village ponds are dry and slimy red algae lines wayside ditches. Few bullock teams are to be seen ploughing.

Although this is an area of poor irrigation, at least there is no shortage of drinking water as in the worst-affected districts of Bihar and Uttar Pradesh. Election posters and party flags are few. Villagers complain of rising price- lack of diesel oil and the extr-agance of the mid-term poll. In-fference and the drought are -pected to result in a low turnou- for voting tomorrow and Sund-.

WHEN WE arrive as part of Mrs. Gandhi's motorcade at the prosperous little village of Saranhi in her own constituency of Rae Barelli in Uttar Pradesh it starts to rain. "Majataj (Mother Gandhi) has brought the rain," says one of her supporters. The clue to Mrs. Gandhi's political come-back lies somewhere in this intimate bond—snapped brutally during the emergency—between leader and people to which she feels she alone has claim in India.

Day by day over the past four months, travelling the length and breadth of the country, often giving more than 20 speeches in as many hours, shet has sought to re-establish it. She has built on the uncertainties that have sprung from inflation, from the wranglings of politicians, from caste and communal conflicts and from the contempt in which government is held.

Standing on a hastily raised platform by a thatched house, with paper bunting festooned across the road she chides the crowd for voting her out in 1977. "If you want me back you'll have to turn out in large numbers," she says. There is no wave of popular enthusiams but the comfort of a familiar figure. She is icily proud that she has achieved it by herself. "Every other politician has some -llowers. I don't have any at seemshe tells journalists. She and cot to be the largest party an overaisurprise by winning rule with ar-iority. "She will family hanger-n hand," says a hide that it will "She doesn't ship although she dictator- that word." -'t use

IT WAS THE villagers of northern India who threw out Mrs. Gandhi in 1977 and even in this listless campaign the power of the ballot box is still much cherished. An illiterate woman in the village of Sahjanour, near Lucknow, explains that the villagers will consult one another and seek the advice of their elders before deciding how to vote.

Most families in Sahjanpour are Harijans (untouchables)—a community apart from the upper castes who would feel defiled by drinking from their well. Most of the Harijans in the area say they would support Mr. Jagjivan Ram, the Harijan leader who is making a bid for the premiership against Mrs. Gandhi. But they also feel intimidated by the power of government and by influential landowners.

"What is the use of complaining because nobody will listen," they say, claiming that they only received 4kg out of the 5kg of wheat to which they were entitled under the food-for-work programme set up in the early days of the drought. But after seven villagers had been sterilised during the emergency they got their own back by solidly voting Janata.

Jagjiuan Ram: assured of Harijan sympathy

Mrs. Gandhi: plea for large turn-out

A NUMBER OF people say that eastern India including Bengal, Orissa and Assam is slipping under a different economic and political system from the rest of India. Bengal's depressed industries are unable to attract the risk capital that is shifting to the prosperous commercial centres of the Punjab, Haryana and western India so that the economy is becoming increasingly state-dominated.

Parallel with this the Marxists have dug in strongly. Their new confidence is reflected in the bustle of activity at their headquarters in Alimutin Street, Calcutta, which three years ago was a run-down back-street office. They are preparing to do battle with Congress on the streets if Mrs. Gandhi returns to power.

EXPECTATIONS of violence have run through the campaign. In Calcutta the Congress Party's street boss, Lakshmi Kanta Bose, predicts brazenly "chaos and confusion" in key districts on polling day. The Marxists have limbered up their organisation for post-electoral fights, as have the Hindu chauvinist Jan Sangh and many of the trade unions.

Congress itself seems to have obtained leverage over the Delhi underworld. Ram Chandra, a bodyguard of Sanjay Ghandi, smiles blandly when he his credited with having committed a couple of murders. But nobody looks more vulnerable than the fragile figure of Mrs. Gandhi, ever exposed to the threat of an assassin's bullet as she faces large crowds.

IN DELHI, I visit the area around the Jama Masjid in the Old City with the campaign in its final stages. This is the heart of the densely Moslem quarter of the capital, packed with rickshaws, street hawkers and squatters in the daytime, and at night with blanketed figures sleeping in the open. Feeling ran high against Mrs. Gandhi here during the emergency because of resistance to the slum clearance and sterilisation programmes.

A large portrait of Mrs. Gandhi beside the Imam hangs high facing the Moghul Mosque. The streets are festooned, mainly with Congress flags. To my amazement, during a two-hour tour, I do not find one Janata Party supporter. An official in a makeshift Janata office in Gali Garahaiya Street claims that Mrs. Gandhi's congress has been spending massively in support of her campaign and that he was offered 2,000 rupees (£112) to let his store-room as a Congress office. Congress is also said to have promised the fish merchants a new fish market. "The Janata Party has done nothing for us," one Moslem says.

In the evening the Janata Party holds a rally at the Ramlila grounds in Old Delhi. It was here that the party launched its campaign in 1977 to enormous cheers and a crowd that filled every side street. The rally is thinly attended—a comment both on the election and probably on the party's fortunes.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

UK NEWS

Miles to chair Mirror Group

BY LISA WOOD

MR. ANTHONY MILES, editorial director of Mirror Group Newspapers, took over as chairman of the group yesterday.

Mr. Douglas Long, formerly deputy chief executive, became chief executive on the same date.

They both succeed Mr. Percy Roberts who has retired after 14 years as chief executive and three years as chairman. Mr. Roberts, who is 59, remains a director of Reed Publishing Holdings.

Both Mr. Long and Mr. Miles will report to Mr. L. A. Carpenter, chairman and chief executive of Reed's International Publishing Corporation. Last August, Reed International, Mirror Group Newspapers' parent company, announced that Mr. Carpenter would take over additional responsibility for MGN. This was part of major managerial changes being made within Reed.

● THE MORNING STAR, Britain's Communist daily paper, is 50 years old. Its first issue recorded a strike by woollen workers. Its 50th anniversary issue will front-page the current steel strike. The paper has survived with the support of readers who have donated hundreds of thousands of pounds to its fighting fund.

Gloomy analysis doubts Tory economic strategy

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A GLOOMY new analysis of the prospects for the British economy in the first half of the 1980s from City stockbrokers Phillips and Drew questions whether the Government's strategy will succeed in significantly reducing inflation or restoring growth in output.

In a circular published this morning, the brokers say that even after allowing for a wide margin of error, their medium-term projections suggest that output growth will remain very depressed after a drop of almost 2 per cent in 1980. Moreover, after a substantial surplus in 1981-82, the current account will then move back into deficit as the peak in oil tonnage is reached.

Meanwhile, the rate of price inflation will stay well into double figures, in spite of the Government's monetary stringency. Unemployment will continue to rise, reaching 2.39m in 1985.

This view is gloomier than that of other forecasts, including the London Business School's, which predicts that output will pick up in 1981 after this year's downturn.

Phillips and Drew says its "somewhat depressing results hinge mainly upon the assumption of increases of 15 per cent a year in average earnings—a similar earnings outturn over the next five years to that experienced in the past 10. It remains to be seen whether sole reliance on tight monetary control will be able to reduce pay settlements significantly in the medium-term. It will be an uphill struggle."

The firm does not believe past evidence supports a rate of growth below the long-term average—"in the absence of direct Government intervention."

Similarly, in a period when both domestic and world demand is likely to be slack, Phillips and Drew doubts whether the restoration of incentives will be sufficient to cause a spontaneous upturn in investment and a self-sustaining growth in output.

The brokers' analysis rests on the assumption of a £2bn deflationary package in the spring Budget, followed by no change in policy thereafter. This means that income tax and excise duties are increased annually in line with inflation and public spending is flat in volume terms.

On this basis, public sector borrowing may remain high in nominal, or current price terms, for the next two years, and then decline as oil revenues pick up. This will open up the possibility of substantial tax cuts within a tight monetary programme, provided balance of payments considerations permit.

Land and home loan block feared

BY ANDREW TAYLOR

LAND and mortgages will be *scarce for house-buyers and* house-builders in the 1980s, says the National House Building Council.

Mr. Andrew Tait, director general of the council, said that more than six households in 10 will be home-owners before the end of the 1980s, though the average price of a house is expected to top £60,0000 during the decade.

In 1945, only 25 per cent of householders owned their own *homes. During the 1970s, the* proportion of home-owners had risen to above 50 per cent.

The council's forecasts assumed an average rate of inflation of 10 per cent a year.

House purchase would remain the best possible investment for an ordinary person, said Mr. Tait, but the rate of house price increase was likely to be less than in the 1970s when prices more than quadrupled.

He added that houses would *be better insulated in the* coming decade and more will be built in the higher price bracket. He also expected a greater proportion of small units to be built aimed at single people and first-time buyers.

"A main objective of the next decade must be to persuade planning committees and environmentalists that too much of house-buyers money is going on land.

Plea for urgent action to save waterways

BY ELAINE WILLIAMS

URGENT action is needed to preserve Britain's canal system, says the Inland Waterways Association.

Its annual report, published yesterday, says that many of the counrty's waterways are in a desperate state and slow progress is being made to improve them.

The association is concerned that, although the Government has announced that proposals to abolish the waterways had been halted, the opportunity to exploit them might be lost through lack of investment.

It makes 15 recommendations for the survival of the waterways.

It wants a forward management to take over control of the waterways and adequate finance to restore the system, for which the Government should take overall responsibility.

At least £60m, of which £25m has been allocated, is needed to carry out the work.

The association believes that more use should be made of the larger waterways for carrying freight, and that the Government should implement the Select Committee's recommendations on waterway statistics and appraisal of transport investment, and should establish a division within the Department of Transport for planning and financing inland shipping.

The recommendations call for planning or development of any one waterway to be seen in the contest of the whole network.

The association wants the waterway system to be considered as a national route, 2,000 miles long, and believes that the survival of the canals will improve tourism as well as form a good transport medium.

Markets chain launches lottery

By David Churchill, Consumer Affairs Correspondent

KEY MARKETS, the Fitch Lovell supermarket chain, today launches an "instant" lottery promotion only weeks before the House of Lords is due to rule on the legality of a similar scheme operated by a major tobacco company.

Key Markets claims that its lottery, which follows its "bingo" schemes last year, is the biggest promotion of its kind to be carried out by a supermarket chain.

It gives shoppers the chance to win instant cash prizes up to £5,000. In addition, Key Markets will be supported by 29 leading food manufacturers who will offer extra prizes of food.

Shoppers at Key Markets' 120 stores will be given two halves of a lottery ticket, each half carrying a hidden cash prize of between 50p and £5,000. The value of the prize is revealed when the covering material is rubbed off with the edge of a coin. A shopper receiving two matching halves can claim the prize on the spot.

A separate panel also shows, when the covering is rubbed off, whether the shopper has won a food prize.

Key Markets believes that shoppers will welcome its new lottery scheme as an alternative to the grocery price war of the past two years. "All our research shows that housewives do not look forward to shopping," said Mr. David Caulfield, the managing director.

Key Markets says that its bingo scheme last year led to an immediate 15 per cent increase in turnover. Its decision to go ahead with the new lottery promotion, however, has caused some surprise within the grocery trade in view of the pending Lords decision.

They have to rule on the legality of Imperial Tobacco's "Spot Cash" instant lottery scheme, which was used to promote some king-size cigarettes.

Imperial launched the lottery in autumn 1978, but withdrew it when the Director of Public Prosecutions decided to initiate criminal proceedings against several Imperial executives.

Chamber seeks help for small companies

BY LISA WOOD

AN APPEAL for a change in the tax treatment of small companies has been made to the Government by the London Chamber of Commerce and Industry.

The Chamber says that a real commitment by the Government to ease the tax and financial constraints that still threatened the viability of this sector of the economy was vital.

In a memorandum to Sir Geoffrey Howe, Chancellor, and Mr. David Mitchell, Minister responsible for small firms, the Chamber said the UK's record of new business launches was markedly lower than other Western industrialised countries, while the importance of small companies to the health of the economy was widely recognised.

The Chamber said that new sources of risk capital must be encouraged. Existing sources of finance were often not available to small businesses or terms were often unattractive.

It said direct investment by individuals should be encouraged to enable finance to be provided for projects which did not meet the "severe stipulations of institutional tenders."

The Chamber suggested that changes in the tax treatment of small companies to provide risk capital could increase the number of potential tenders from hundreds to thousands.

Expansion forecast in tourism industry

By Elaine Williams

A GOOD year for the tourist industry is being forecast by the English Tourist Board.

Mr. Michael Montague, chairman of the board, said: "While some of the more traditional industries talk o fretraction, we in tourism talk of expansion; while whole segments of manufacturing industries face redundancies and closures, we will be offering job opportunities by the thousand."

Today the industry employs directly and indirectly more than 1.5m, but Mr. Montague predicts that this will increase to 2m in the 1980s. The revenue from the industry is more than £6bn a year.

Plea for tax reform to help charities

BY ELAINE WILLIAMS

A CALL for major reforms in tax laws related to charities has been made by the National Council of Social Service in a report published today.

The report has seven main recommendations which the council says could increase the overall income of charities by £25m a year.

These recommendations include a call for changes in Deeds of Covenant relating to individuals and companies to the introduction of tax relief to individuals for single donations; charities should be treated in the same way as local authorities as regards VAT; rate relief should be increased from 50 to 75 per cent; the exemption limit on Capital Transfer Tax should be increased and charities should also be exempt from Development Land Tax.

The council says that voluntary organisations and charities were particularly hard hit by the last Budget which reduced their income from covenants, while the increase in VAT to 15 per cent increased the cost of running charities.

Life-boat men rescue 1,000

NEARLY 1,000 lives were saved by Royal National Life-boat Institution boats in 1978, according to figures published yesterday.

This is an increase of 12.7 per cent compared with 1977 when a total of 856 lives were saved.

The RNLI's fleet of 137 life-boats and 128 inshore life-boats were launched on a total of 2,429 occasions compared with 2,171 times in 1977, an increase in the number of call-outs of 11.9 per cent.

The total number of launches by life-boats in the last decade was 26,720, with 12,446 lives saved.

Fall in electronics growth forecast

FINANCIAL TIMES REPORTER

GROWTH in the UK electronics industry, and Europe as a whole is likely to fall off, says the Mackintosh Electronics Yearbook published today.

It says that the 1980 outlook for the UK is that growth will be in the region of 8 per cent taking the UK market, which includes both sales of equipment and components, to over $10bn.

The outlook for Britain's growth is slightly higher than the average envisaged in the European electronics industry as a whole. After a growth of 14 per cent in 1979, Mackintosh does not expect it to exceed 7 per cent.

Mackintosh states that it is clear that "although in the past the Europea nelectronics market has always been regarded as a 'dollar market,' that nearly half the growth recorded between 1977 and 1979 has been due to the exceptional fall (ranging from 8 to 13 per cent) in the value of the U.S. dollar against most major European currencies."

Over the next five years the year book predicts that the total European market will grow at a modest rate of 8 per cent per annum with the market reaching a value of $74bn in 1983. Over the past five years the growth has averaged 13 per cent per annum.

Within the various sectors of the industry, Mackintosh sees professional equipment as the fastest growth area with an average rate of 10 per cent per year.

Forecasts for the communications sector is that it will rise from $4.8bn in 1978 to $7.7bn in 1983.

COAL AND STEEL INDUSTRIES ASSESS POTENTIAL IMPACT OF STRIKE

'Castings industry needs slimming'

BY ROY HODSON

An orderly slimming-down of the steel castings industry backed by a £40m workers' compensation fund is recommended to the National Economic Development Council in an unpublished report prepared by the Steel Castings Research and Trade Association.

Although the steel foundries employ about 16,000 people and make some 200,000 tonnes of castings a year worth £200m, the association assesses their perspects for the future as "grim."

It suggests that it would seem prudent to plan for a demand of not more than 150,000 tonnes of steel castings a year by 1982-83, after making allowances for the loss of export markets

The association believes the immediate problem of survival for the steel foundries demands a better balance between production capacity and actual demand. A reduction in capacity among the 75 foundries of up to 100,000 tonnes is considered realistic.

The alternative to an orderly reconstruction of the industry, in the association's view, will be bankruptcies and "irreparable damage in human and financial terms", to the industry.

The association rejects the idea of allowing the contraction of the steel castings industry to be brought about by the operation of market forces. "Our concern is that the uncontrolled operation of the market could leave the survivors too weak to withstand foreign competition and too impoverished to nourish and sustain the very real prospect of a brighter long-term future."

Conventional restructuring of the industry is considered to be beyond the resources of the member companies. Government backing for the proposed compensation fund will be sought if NEDC supports a radical restructuring of the steel castings trade.

Furnaces will be kept down—but not out

BY ROY HODSON

THE BRITISH Steel Corporation's blast furnaces, the starting point in the iron and steel-making cycle, have been damped down and are not expected to produce iron again until the strike is over.

Damping down a furnace is rather like adding non-combustible materials to a a household fire and reducing draught, thus keeping it aglow.

Most furnaces have been charged with non-metallic substances instead of their usual burden of iron ore. The stream of hot gas which provides the furnace blast has been reduced to the minimum level at every furnace.

But the furnaces will be kept hot. If a blast furnace is allowed to go cold, its internal refractory linings are liable to collapse and repairs then involve a virtual re-build.

Similarly, the coke ovens which supply coke to the blast furnaces are being kept hot, although they will not produce coke. Arrangements have been made with the steel unions for coke ovens, furnaces, and other essential steelworks operations to be maintained in good order by volunteer workers during the period of the strike.

The damping down of the blast furnaces began before the Christmas holidays. In the last hours before the strike, the essential workers are making the necessary technical arrangements to prepare for a prolonged shut-down instead of bringing the furnaces back into production for the New Year.

The new 10,000-tonnes-a-day blast furnace at Teesside, the biggest in Britain, which has been in production for only 10 weeks, poses a special problem. The strike has caught it at a critical point on its "learning curve" after iron production has been raised to more than half the eventual capacity of the furnace.

British Steel has no experience of shutting down such a big and complicated piece of equipment.

It is feared that several months' work will be needed to bring the furnace back to the point on the curve gained before Christmas.

Without adequate supplies of the cheap iron provided by the Teesside furnace, British Steel will find grave difficulties making competitive steel for some weeks after the strike ends.

In South Wales, where the 5,000 tonnes a day Llanwern blast furnace is also damped down, there will be a similar problem.

The remaining British Steel blast furnaces in Scotland, Yorkshire and Humberside, and Wales are smaller and could be brought back into production more quickly.

New problems on coke imports

THE STEEL strike, which started today, could raise fresh difficulties for the National Coal Board and the British Steel Corporation in their efforts to resolve the current dispute over coking coal imports.

The NCB, worried about the threat to mining jobs posed by BSC's mounting imports of cheap coal, has been investigating the possibility of offering the Corporation a subsidy on UK coking coal.

During recent weeks, the NCB and BSC have been trying to reach agreement on the level of subsidy which would be necessary to prevent BSC taking up options to import between 1m and 2m tonnes of cheap coking coal, in addition to almost 3m tonnes which it is bringing into the UK in the current financial year.

But the steel strike, with its as yet unknown effects on BSC's need for coking coal, could make it more difficult for the two sides to agree on a figure.

The NCB has estimated that it would cost it £30m to £33m in subsidies to prevent BSC taking up its import options, but the Steel Corporation has apparently put the figure higher. BSC said last month it had until the end of January to decide whether to take up its options. It is not yet clear whether the strike will affect this deadline.

Further imports will deal a severe blow to the Kent and South Wales mines which produce coking coal. Sir Derek Ezra, chairman of the NCB, has estimated that for every 1m tonnes of business lost in these areas, some 3,500 to 4,000 jobs could disappear.

Coal production and productivity up

BY MARTIN DICKSON, ENERGY CORRESPONDENT

A STEADY and significant improvement in production and productivity has been recorded by the coal industry over the past six months of 1979, according to latest National Coal Board statistics.

Britain's deep mines produced 75.78m tonnes of coal in the 37 weeks from the start of the NCB year to December 15. This was 1.65m tonnes more than in the same period of 1978 and was achieved with 4,000 fewer workers.

The Coal Board is now confident it will meet the target of 108m tonnes of deep mined coal it has set for the full year to March 31, provided no outside factors, such as strikes, intervenes.

Sir Derek Ezra, the NCB chairman, puts forward two main reasons to explain the improvement. He says that a large number of investment projects started in 1974-75 are now beginning to pay off.

Those investments set the industry on an expansionary path after more than a decade of contraction.

He also argues that the miners' productivity bonus, introduced in 1977, is helping to raise output.

Attlee's agonies on devaluation

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE TRAUMATIC events leading up to the 30 per cent devaluation of the pound in 1949 form the central theme of the Cabinet minutes released today under the 30-year secrecy rule.

The documents record the growing consternation of Ministers at the rapid decline in the gold and dollar reserves and the continued speculation against sterling. They show the agonising dilemma faced by the Labour Government as the result of American pressure for cuts in UK public expenditure.

Things came to a head on September 18 when Sir Stafford Cripps, the then Chancellor, returned from discussions in Washington to announce that the pound was being devalued from $4.03 to $2.8.

To make matters worse the Government's term of office was coming to an end and it knew that it had to go into a general election within the next few months.

Angry Cripps

The Cabinet discussions of that year are often uncannily similar to the major debates of the 1970s on the growth of public spending, the increase in the Civil Service and the need to contain high wage demands.

The issue of public expenditure came up at the beginning of the year when Aneurin Bevan, Minister of Health, pressed for a supplementary estimate of £57m for the National Health Service. This brought an angry outburst from Cripps in terms that might have been used by Mrs. Thatcher 30 years later.

Cripps said that pressure should be brought on the Health Service to keep costs within the Budget figures. He proposed an examination of the machinery for controlling expenditure by regional health boards.

The gravity of the economic situation became apparent in July when the Prime Minister, Clement Attlee, gave a long lecture to the Cabinet about the drain on the reserves. He predicted thtat they would drop to $300m by September when the Chancellor was to visit Washington for talks on Britain's financial difficulties.

He feared that the drop in the reserves would place Cripps in a position of "great weakness."

At a further meeting in July Herbert Morrison, Leader of the Commons, maintained that public expenditure was disturbingly high and could be cut by 5 per cent. Later in July, Attlee again expressed grave worries at the level of public spending and a review of expenditure was begun.

In the Commons on July 6, Cripps had said that there was not the slightest intention of devaluing the pound. But at a Cabinet meeting in August — when Parliament was in recess — Attlee announced that since the last week of July he had discussed with senior Ministers whether devaluation would mitigate the short-term difficulties in the balance of payments. He recommended that it should be discussed in the talks in Washington on September 7.

Cripps seemed to accept the proposal with great reluctance.

Following the Washington talks, a meeting of the Cabinet took place in conditions of elaborate secrecy on Saturday, September 17. Ministers were instructed to come to No. 10 by various entrances in order to avoid attention.

The gloom was undisguised as Cripps gave details of the broadcast he was to make the next day announcing devaluation. Some Ministers feared that the public would think the decision had been dictated by the Americans. Others complained that the broadcast was too defensive and that it gave the impression that a "special series of calamities" had befallen Britain.

There were further shocks on October 21 when Cripps told the Cabinet that the inflationary threat was so serious that the economic policy committee had decided on expenditure cuts of £256m, to include reductions in the subsidies on a wide range of foods.

Other subjects mentioned in the Cabinet minutes include:

THE MIDDLE EAST—Signs of British irritation with American post-war policy on the Middle East are revealed. Foreign Secretary Ernest Bevin told the Cabinet of the "instability" and "vacillation" of U.S. policy.

He said that President Truman had promised support for a United Nations resolution which contemplated Jerusalem under International control. Yet, shortly after, the State Department seemed to be offering different proposals.

Aneurin Bevan urged that Britain should base its position in the Middle East on befriending the Jews, who would give all facilities needed to establish strong military bases in Palestine.

CHINA—A calculated risk of serious military clashes over Hong Kong between British and Chinese Communist forces was taken by British ministers in 1949, the year Mao Tse-tung took control in China.

Eventually the Cabinet decided to reinforce our garrison in Hong Kong. But Britain's relations with China at that time are apparently still sensitive in Whitehall. Some documents which would normally have been available for inspection have been withheld.

Car dealers ask for better deal

THE MOTOR Agents Association today embarks on a campaign "to end the one-sided agreements frequently imposed on dealers by vehicle manufacturers and importers."

It is to seek the co-operation of the Office of Fair Trading in drawing up a code of practice to govern relationships between dealers and their suppliers.

In particular, the MAA aims to secure three-year agreements with 12-monbts' notice of termination on either side. At present, many franchises are terminated at three months' notice with most agreements running for no more than a year.

Arrangements by the supplier to buy back new vehicle stocks, franchise signs, parts and accessories, special tools and equipment or pay fair terms of compensation to a terminated dealer, should be clearly set out in dealer agreements, says the MAA which represents nine out of 10 franchised dealers.

Mr. Alan M. Dix, director general of the MAA, said yesterday: "I very much doubt if there is any other business where trading agreements are tilted so heavily in favour of the suppliers.

"Moreover, there has been a disturbing spate of arbitrary terminations in certain franchises lately and attempts to tilt agreements even further in favour of the supplier. It has to end.

"We are not out for a fight. But we are very determined to bring about agreements based on greater equality between the parties. In too many agreements all the rights are with the suppliers and all the obligations with the dealers.

A document embodying the MAA's views has been sent to the chief executive of every vehicle manufacturer and importer in the UK. Copies are being sent to government Ministers, MPs, members of the European Parliament and senior civil servants to enlist their support.

Volkswagen and Audi prices increase by 6%

FINANCIAL TIMES REPORTER

THE PRICE of Volkswagen and Audi vehicles went up by 6 per cent yesterday. The increase was the result of higher manufacturing costs being passed on to the British importer, Volkswagen (GB), a Lonrho subsidiary.

Volkswagen (GB) believes it can lift its share of the new car market from around 4.5 per cent to around 5.5 per cent in 1980. But, like most other companies in the industry, it expects the total market to drop steeply this year to 1.45m from the 1979 level of over 1.7m.

Volkswagen (GB) will have the benefit of a new commercial vehicle to sell in 1980 so its total vehicle sales are expected to approach 93,000. In 1979, the company sold 83,500 VW and Audi models — an increase of 17 per cent.

The last price change by Volkswagen (GB) was in September when the 1980 specification models went on sale at around 2.7 per cent more

Examples of new prices: Polo N up from £2,944 to £3,115; Golf LS from £3,875 to £4,105: Audi 80 LS from £5.028 to £5.388 and Audi 100 Avant CD-5E automatic from £9,746 to £10,328.

● Volvo Concessionaries, the Lex Group subsidiary, is today launching the five-door, hatchback version of the Volvo 300 series, the Swedish concern's small car. Called the 345DL, it goes on sale at £4,450 for the manual version and £4,676 as an automatic.

Volve is also offering 300 models converted to run on LPG (liquid petroleum gas) by the installation of Landi-Hartog equipment at a cost of about £373 plus VAT. A facia-mounted switch enables the driver to return to the normal petrol system so the car effectively becomes a dual-function vehicle with the cruising range nearly doubled.

● THE Talbot Motor Company has announced immediate price increases of 3 per cent for its Avenger, Horizon, Sunbeam and Dodge 1100 (car-derived van) vehicles and 6 per cent for the Chrysler 2-litre saloon.

Provincial journalists reject action on pay

PROVINCIAL journalists have voted against taking industrial action over their pay claim, the National Union of Journalists said yesterday. NUJ members have rejected by 3,292 votes to 728 a recommendation from their leaders to impose a programme of disruptive sanctions.

The union, in the wake of the decision, has accepted the offer from the Newspaper Society, which the NUJ says is worth 14½ per cent on the industry's editorial wages bill.

Most of the 9,300 provincial journalists belong to the NUJ and they have taken action over their national agreement with the Society twice in the past two years.

The union said the agreement will give newly-qualified senior journalists increases of between £12 and £13.50 on basic rates ranging from £70.50 to £84 a week. Long-service journalists will get up to £250 a year more.

The Newspaper Society said the employers were very pleased by the union's acceptance of their pay offer. He added: "The indications we had were of little support for any industrial action."

TUC to rule on print recruiting

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TUC is to be brought into a dispute between two print unions which has important implications for future trade union organisation in the provincial newspaper industry.

After a fortnight long strike by Tele-Ad staff at the Warrington Guardian, the National Graphical Association has gained an important foothold in a white collar area traditionally represented by the National Society of Operative Printers, Graphical and Media Personnel.

This is one of the first moves in a determined campaign by the NGA—the leading craft union in the industry which represents groups such as compositors and skilled printers—to pick up clerical members in provisional newspaper offices and commercial printing. NATSOPA has responded by claiming that the NGA's activities are a breach of the TUC rules restricting unions' spheres of influence.

The Warrington Guardian agreement recognises the right of individual Tele-Ad staff to join the NGA. Mr. Tony Dubbins, NGA Assistant General Secretary, said that it would be converted into collective recognition when the union had recruited to membership at least 51 per cent of the staff.

"This is a major breakthrough which we hope will set a trend," he said.

The NGA said it is not attempting to recruit in offices where NATSOPA has either 100 per cent or very substantial membership. But it believes it is entitled to recruit where NATSOPA has few or no members among clerical staff.

Mr. Owen O'Brien, NATSOPA General Secretary, said: "We shall definitely be taking this to the TUC. The Warrington agreement recognises the right of Tele-Ad staff to belong to an appropriate union, but the NGA is not an appropriate union.

"The NGA is looking for new fields outside its traditional sphere because of the impact of new technology on compositors' jobs. Perhaps the settlement of the Times dispute will hold back the waters for a bit, but the NGA knows new technology will eventually take over."

The effect of new technology on old demarcation lines is one of the factors which led to the NGA recently beginning amalgamation talks with the biggest print union, the Society of Graphical and Allied Trades.

ISOLATION

If this merger succeeds, the much smaller NATSOPA would, if it remained on the outside, be in a potentially exposed position. Its isolation would increase if the TUC decided that the NGA could recruit in what NATSOPA regards as its traditional territory.

There are strong pressures at present to create a single union in the printing industry and the National Union of Journalists has decided that it cannot ignore these, although it has many members in non-printing fields, such as broadcasting and public relations. Its executive has instructed Mr. Ken Ashton, general secretary, to make strong but informal amalgamation approaches to the NGA and SOGAT.

Bank unions meet

BY NICK GARNETT, LABOUR STAFF

NEGOTIATORS FOR the Banking, Insurance and Finance Union in the English clearing banks are meeting tomorrow to draw up recommendations for this year's pay and conditions claim.

The recommendations will be put to a special executive meeting next week, which will also discuss pay claims for the Scottish clearers and the Trustee Savings banks. The Scottish and English clearers have an April settlement date with the TSB's agreement operating from February.

All three staff associations in the English clearing banks are meeting in two weeks time to formulate what some of their negotiators expect to be a uniform claim.

The banking union and the staff associations have been at logger heads over negotiating machinery. Mr. Leif Mills, the union's general secretary has written to the Federation of Bank Employers saying that it would be wrong for the federation to negotiate with the staff associations on behalf of all five clearers.

The staff associations are at Barclays, National Westminster and Lloyds but not at the Midland or Williams and Glyn's.

Union and the staff associations will be seeking increases of at least 20 per cent.

Mr. John Bealey, secretary of the steering committee which is trying to set up a joint union out of the staff associations said yesterday that apart from a pay settlement to at least keep pace with inflation, they would want to improve differentials

They would also be seeking increased holiday entitlement—possibly an extra three days—for higher grades. The staff associations were also concerned that a considerable part of pay for London staff — principally London allowances and London supplement—were not pensionable. They would probably be looking for consolidation of some of these elements together with a full review of the grading structure.

The banking union has already submitted a claim for a minimum 22 days' holiday entitlement on entry into the banks with 35 days' entitlement for managers.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

WHEN this monthly column was launched two months ago, we promised it would avoid using jargon wherever possible. To reinforce the argument that jargon can hinder comprehension of the complexities of planning rather than aid it, we cited part of an article in the journal "International Management," which summarised an interview with Professor Igor Ansoff, one of the world's leading planning specialists.

To quote our comments of November 7, "Ansoff was reported as dubbing the 1950s as the era of 'long-range planning,' the 1960s as the age of 'strategic planning,' the 1970s as that of 'strategic issue management,' and the immediate future as that of 'weak signals management,' otherwise known by the jaunty title of 'surprise management.'"

The author of the report has since responded via the FT letters column (November 27). Professor Ansoff's reply was to contribute the article below.

C.L.

So much for present day practice —but what about the future?

BY PROFESSOR IGOR ANSOFF

SOME thoughtful managers have challenged the continuing usefulness of what has been commonly called "long-term" corporate planning. This is the planning which seeks to perceive the trends, the uncertainties and variabilities in the firm's environment, and then to make decisions about the main directions in which the firm shall develop.

In today's actual practice, one finds two distinctive kinds of planning. One, the more prevalent type, is called "long-term planning" by some, "long-range planning" by others.

It is based on an underlying assumption that the developments of the past are reliable indicators of the trends of the future. Therefore, such plans typically start with a forecast. This forecast may be a summary of expert opinions of the firm's marketeers, or a sophisticated computer projection of the historical developments, but, in either case, it extrapolates the past into the future. On the basis of this forecast, goals are established, programmes are identified, and budgets are projected.

I think it is clear that when the future is foggy and uncertain and there is a highest likelihood that this future will not be a simple continuation of the past, this type of planning becomes not only unrealistic and wasteful, but actually dangerous to the future survival of the firm. For it gives managers a false reassurance of certainty and stability when they do not exist; it lulls management into a false sense of security, and it puts the firm on "inflexible rails" from which it will be difficult to depart when future reality shows that these rails lead to disaster.

The shortcomings of this kind of planning have not been generally understood by managers in the past. Why else, for example, would many French managers have complained about the fact that their long range planning systems failed to predict the petroleum surprise?

There is also in practice, alas much less widespread, another kind of enterprise-wide planning. It is found in firms such as IBM, Shell, General Electric, Texas Instruments, Philips, etc. The rationale for this kind of planning was beautifully expressed by Sir Winston Churchill who said: "Those who are possessed of a definite body of doctrine and of deeply rooted conviction upon it will be in a much better position to deal with the shifts and surprises of daily affairs."

It is to the development of such "doctrine" for the firm that the second type of planning is addressed. Its essence is the assumption that the future will very probably not be an extrapolation of the past, that the different possible shapes of the future (scenarios) must be visualised, and that decisions about the future must include the best possible insurance against unpredictable variability.

The common name for this second kind of planning is strategic planning and it has many variations. Thus, for example, significant differences can be found among the approaches used by IBM, Shell, General Motors, and Philips. But all of them are similar in the fact that, instead of reducing the flexibility of the firm and inducing a false sense of certainty about the future, they actually enhance the firm's sensitivity and responsiveness to new and sometimes surprising developments in the environment.

In his article, Mr. Lorenz referred to my assertion that in today's practice many firms which still use "long range planning" have recently changed the name to strategic planning in order to conform with the current vogue. This assertion is supported by a number of recent empirical studies in Europe, the U.S. and Japan.

So much for today's practice. What of the future? Three incipient developments are already observable. The first is the increasing managerial preoccupation with the internal capabilities of the firm to keep pace with rapidly changing external realities. For example: (i) the responsiveness of the organisational structure to fast "surpriseful" development; (ii) the "strategic mentality" (a term commonly used in the Philips company) of the managers needed to keep pace with new technologies, new competitive challenges and changing socio-political realities: (iii) the openness of management information systems to developments which are highly relevant to the firm but come from far-flung unfamiliar sources; (iv) the social climate within the firm which increasingly must encourage flexibility, entrepreneurial spirit and initiative.

This preoccupation with the "innards" of the firm is beginning to enlarge the scope of strategic planning to add concern with internal flexibility to the historical concern with the external strategies of the firm.

PLANNING

IN AN UNCERTAIN WORLD

The second and companion development has been triggered by the internal resistance to change which has been increasingly encountered by managements attempting to implement new strategies. This resistance is particularly pronounced under two conditions: first, when the new strategy calls for behaviour which differs substantially from the firm's prior experience, as occurred for example in the U.S. in the 1930s and Europe in the 1950s, during the shift from production-oriented to marketing-oriented strategies. And second, when the strategic change threatens the existing power structure.

I foresee that, in the coming years, management will improve its skills in both anticipating and managing this phenomenon of resistance to strategic change.

The third and enormously significant development is that the phenomenon of resistance is shifting the focus of managerial attention from planning as an end in itself to strategic action in the market place as the essential test of managerial success. It is for this, and to me, very valid reason, that the new name strategic management is now replacing strategic planning to describe three related activities: (1) planning what the firm will do in the environment; (2) planning the capability of the firm; and (3) converting (implementing) these plans into reality.

In a secondary reference to my interview published in International Management, Mr. Lorenz describes me as claiming that the historical progress has been from long range planning, to strategic planning, to weak signals. I feel that the credit must be given where it is due. In my original interview I had referred to a speech made by Mr. Michael Allen, then Vice-President for Strategy at the General Electric Company. To the best of my recollection, he said: "For us the 1950s were a period of long range planning, the 1960s a period of strategic planning, and the seventies and eighties will be a period of strategic management."

H. Igor Ansoff is Professor of Management at the Brussels-based European Institute for Advanced Studies in Management, and Professor of Management at the Stockholm School of Economics.

BOOK REVIEW

Women on the management battlefield

BY NICHOLAS LESLIE

MALE chauvinists fearful of a major putsch by women into the upper echelons of management are presented with two options. One is to give in gracefully. The other is to go to war—not against women, but some distant enemy that will necessitate long periods being spent away from home.

If that sounds a convoluted solution it is all tied up with the theory that Rachel Nelson espouses for suggesting that the time and climate are indeed right for women to make a major effort to better their dismal showing so far in the management stakes.

Historically, so the theory goes, men have regularly had to go "off to the front" to fight in some war. During that time women have taken over practically every "masculine" job in sight. When men return from the wars they are overwhelmed by an inbuilt reaction to push women "back into their traditional roles – of wives, mothers and helpmates."

Things have changed, though. A long time has passed since the last world war and any future conflict will be fought with computers. So the "pattern has changed"—meaning presumably that, as the traditional challenge has disappeared, men have gone a bit soft and are ripe for being replaced by women in positions of power.

Rachel Nelson does not think that women should be over-fussy about how they achieve this end; after all, men don't play a very fair game in business. Use of feminine wiles is heartily condoned. For example, you have just achieved junior executive status. You meet the chairman, who doesn't know you, in a lift. Don't stand shyly in the corner. Massage his ego instead by remarking, just before you get out of the lift, that you saw his picture in the paper. That, without doubt, will get him wondering who you are.

Also, don't be hidebound by the male aversion to "telling tales out of school." If, in the absence of your boss, his deputy starts plotting against him, let the boss know. That could bode well for a leg up the executive ladder.

Though she has adopted a lighthearted approach, Rachel Nelson has made some telling points in showing women the obstacles that lie in their paths. This is particularly so when she highlights the means by which men undermine attempts by their female colleagues to prove their worth—a favourite ploy is to tear apart new ideas destined for top-level consideration on the pretext that they (the men) are "only trying to protect you." On the other hand, there is really scant advice on how actually to get on to the bottom rung of the executive ladder. And what advice there is is designed for the ambitious secretary rather than anyone else. Indeed, it all seems rather chancy, with rather a lot of reliance being put on women being able to "catch the eye of management"—a perilous approach that conjures up visions of hordes of ambitious women ogling male colleagues.

One thing women will have to learn to live with is masculine logic in business, a manifestation of which is the "nothing succeeds like failure" syndrome. This, Rachel Nelson explains, means that when men make small mistakes they are ignored. Several small mistakes may lead to the guilty party being asked to leave. However, if he makes a really spectacular gaffe, costing the company a lot of money, the reward will probably be promotion.

The author makes no apology for the fact that men come off rather badly in her book. But then some of the male "put downs" she cites hardly justify a laudatory approach. Out of court, she suggests, are such remarks as "As a woman, what do you think of so-and-so?," "You seem to be doing awfully well—for a woman," "I like old so-and-so but he's a bit of an old woman." Excessive old-fashioned politeness in men is also suspect.

Among retaliatory measures suggested for women is to call any man "duckie" if he calls her "dear." But certain responses to male chauvinism and vindictiveness should be used with caution. Weeping—the "nuclear deterrent" of the office war—should be employed only as a last resort.

Among useful accomplishments for anyone hoping to make it to the top is an ability to read a balance sheet and to be wary of, and know how to deal with, stockbrokers who ring up when trying to get a "fix" on your company's financial position. At the same time, apparently, you may well be expected to have a view on the FT Index. Happily, Rachel Nelson acknowledges that the Index has in the past shown itself to be a good predictor of how the British economy will behave. On the other hand, she advises: "Don't worry if people ask you if you think the Index will go up or down. Past experience has shown that the amateur's guess is every bit as good as the professional's—and often a lot better."

When suggesting which people women should aim to cultivate, she takes the wind out of men's sails a bit. It is well worth while tracking down the homosexuals within the company, particularly if they are in top management. Unlike most businessmen, she says, they are very good company and can become allies and confidants.

A major factor behind any woman's hopes of getting to the top is courage. Without it there is little hope. Courage is needed, for example, when a woman is passed over for promotion. If no reasonable explanation is given for such an event then she should not be afraid to resign. Chances are she will then receive several "rescue" job offers from male acquaintances.

All in all Rachel Nelson has produced a very readable, if light, guide to human characteristics, rather than a serious textbook on how to succeed in business. Dare one say it, though, there are a number of inconsisistencies. And, given the emphasis she puts on women's independence and the role they should be allowed to play in business, one of these is quite striking.

When warning of the dangers of letting a company take over your life, she says that once when discussing with a personnel manager how much she would be required to contribute should she join the pension scheme, she "expressed the opinion that my husband might be prepared to look after me in my old age." Presumably, that's having your cake and eating it.

Success Without Tears, A Woman's Guide to the Top, by Rachel Nelson. Weidenfeld and Nicolson, £4.95.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Check kept on noise

FROM B and K Laboratories comes news of a noise dose meter that is particularly suitable for assessing risk of hearing damage in noisy occupations in industry.

Small enough to be worn by individuals without interfering with their working activities, the model 4428 measures the true accumulated noise exposure in accordance with the requirements of ISO R 1999 ("Assessment of Occupational Noise Exposure for Hearing Conservation Purposes").

Since noise exposure is a function of both intensity and time calculated to particular rules, the device has computing circuits and as a result is able to provide a continuous reading on its liquid crystal display of the percentage of allowable noise to which the wearer has been subjected.

The instrument is able to measure the accumulated noise dose of both continuous and short duration impulsive sounds. This is important because short duration noise is often perceived as being less loud than continuous noise and can be more hazardous than one might expect.

More from Cross Lances Road, Hounslow, Middx. (01-570 7774).

Measures density

FOR THE convenience of those who seek a continuous density measurement, Laboratory Impex of Lion Road, Twickenham, is offering the Berthold density measuring instrument, LB379.

Operating on a scintillation counting basis, this stainless steel unit has the advantage of giving continuous measurement without contact with the medium involved. Hence, it is ideal for use in the food processing industry, especially sugar refining.

It can determine liquid concentration in a wide range of situations, such as sugar refining, milk processing, acids, lyes, salt solutions or suspended matter. A special lining for aggressive or abrasive media is available on request.

Safety and stability are good: radiation exposure is minimal—and the detector head has a flame proof enclosure for maximum security.

Accuracy and precision of measurement are very high owing to the extremely stable 241 Am isotope source, which has a half life of 450 years.

The sample density signal output from the detector is linearised and temperature compensated; the reading being displayed on the amplifier and readout unit used with the detector. A recorder output is also available so that a permanent record of sample density can be kept for quality control purposes.

The instrument has a simple flange mounting, which can be attached to pipework during routine maintenance, or whenever the need has to be met. Each unit is pre-calibrated to the customers requirements during manufacture, thus aiding installation and reducing commissioning costs.

Laboratory Impex on 01-892 9157.

Recorder is robust

SUITABLE FOR use under field conditions is a robust single channel chart recorder weighing 10 kg (22 lb) that offers a trace linearity of 99.5 per cent over its full chart width of 50 mm.

Known as the Gould 2100 it can be supplied with either a fine line thermal writing pen or a pressurised fluid writing system which allows the recorder to be used in any position. A high stiffness servo-controlled pen motor provides a frequency response from dc to 30 Hz at 50 mm amplitude, extending to 90 Hz at 10 mm. Rise time is less than eight milliseconds and overshoot is under 1 per cent on square waves and transients. Push-button selected chart speeds range from 0.4 to 125 mm/sec in eight steps.

The recorder will operate from any ac mains supply, is able to accept the full line of Gould 4600 Series plug-in amplifiers and is also electrically compatible with the company's other signal conditioners and amplifiers.

More from Gould Instruments Division, Roebuck Road, Hainault, Essex 1G6 3UE (01-500 1000).

● SERVICES

Finds faults in heat exchangers

ON-SITE appraisal of heat transfer equipment can now be carried out by the National Engineering Laboratory which has recently equipped a five metre caravan with the necessary data acquisition and calculation devices.

The acquisition equipment is able to record any directly measured AC or DC voltage and normally will be accepting signals from temperature, pressure and flow transducers, but others, including weight and velocity can be accommodated.

A programmable calculator is used to control the sequence of instrument readings and the time intervals between them. Corrections such as temperature and viscosity are applied from stored information.

Statistical analysis programmes are available and a printer provides a permanent record of data and results.

For temperature measurement the caravan unit carries with it 20 platinum resistance thermometers to BS1904 Grade 2 covering 200 to 500 deg C, and 10 stainless steel-sheathed thermocouples to BS2765 permitting measurements between 0 and 800 deg. C. Others are available at short notice from the NEL Applied Heat Transfer Division.

In fact, considerable back-up can be provided by NEL including the calibration of most types of measuring device and the provision of extensive computing facilities. Fundamental aspects of fluid flow and heat transfer are under constant examination at the laboratories.

It is believed that the new service will be of considerable value to industry in terms of plant fault finding, energy auditing and in providing assistance where disputes exist between vendor and purchaser of heat exhange equipment. It will also be possible to assess the time related performance of equipment (for example, for how long does it retain its "as new" efficiency).

NEL points out that it is unlikely that work can be undertaken without prior discussion with prospective clients in view of the nature of the testing. It will be happy to take part in confidential discussions and supply a quotation.

NEL is at East Kilbride, Glasgow G75 0QU (03552 20222).

Floors laid to order

A NATION-WIDE contracting service for the laying of floors up to 30,000 square metres has been set up by Conren Chemicals. This company specialises in the manufacture of epoxy resin floor finishes and makes particular claims for its Levelay heavy duty jointless floor finish which can be laid quickly.

The company says that Levelay can be flow applied to a thickness of 2 to 3 mm on both old and new floors. It is acid resistant, non-dusting and incorporates an anti-slip aggregate. It is available in 10 colours.

Full details can be obtained from the company at Silhill House, 2235, Coventry Road, Birmingham B26 3NW (021-742 1433).

● COMMUNICATION

Broadcasts direct from satellite

ALTHOUGH THE idea must be regarded as being only in its very early stages for the time being, one of the abilities of the planned L-Sat satellite for which British Aerospace has been appointed prime contractor will be to broadcast direct to domestice rooftop dish aerials.

This prospect—of a completely new source of television programme that will obviously respect no international boundaries—is made possible by the available power levels for the craft planned by the sponsors, European Space Agency (ESA). The electrical power for the use of the payload will be "up to 10 kW" which, with the satellite in stationary orbit and with suitable aerials in use, should provide adequate signal levels for direct reception in the home given sufficiently sensitive receiving units.

L—Sat is also to be capable of carrying a considerable volume of telephony and data traffic. It is scheduled to be placed into geosychronous orbit in 1984 to provide coverage of Europe and two will be built, one being held in reserve.

The craft is designed to be launched either by an Ariane rocket or the Space Shuttle. In the present phase of the project the communications payload will be defined and detailed design of the complete satellite will be finalised.

Although it is being developed initially as a European project, derivatives of L-Sat will be suitable for many other parts of the world.

Forty per cent of the funding is being provided by the UK Government and other participating countries are Italy, Holland, Belgium, Denmark, Switzerland and Spain.

British Aerospace is at Manor Road, Hatfield, Herts. (Hatfield 62300).

● RADIO

Adding to the illusion

ENGINEERS at IBA's Winchester laboratories have been looking at existing systems of so called "surround sound" and finding that they might well degrade listening for existing users of stereophonic radio receivers, have developed a system of their own called MSC, standing for Mono-Stereo-Compatible.

The system has already been used for experimental broadcasts from Capital Radio in London and Radio Victory in Portsmouth. It is based on the successful Ambisonics surround-sound studio technology but is not a universal system and optimum results cannot be achieved by listeners using a Matrix H, HJ or UHJ decoder.

All of these systems, for broadcasting or for recording on tape or disc, provide additional encoded information intended to allow the listener to locate, with additional loudspeaker, the sources of instruments and voices more accurately and provide a more complete illusion in perceiving the original sounds.

IBA's system employs three transmitted channels (as opposed to 2 or 2½ in other systems) and further experimental broadcasts are likely from independent radio stations during 1980.

IBA, 70 Brompton Road, London SW3 1EY (01 584 7011).

● PLASTICS

No holes in mouldings

RECENTLY incorporated into a Shelley ER900A vacuum forming machine is a "breathing" mould fabricated in resin and made by B and K Tooling of London.

This is the first time that M. L. Shelley and Partners has applied the mould to vacuum forming. The "Hycon" resin system used in the tool has a micro-porous structure which eliminates the need for venting and implies that there is no need for holes in the product, at the same time imparting sharp definition to the resultant moulding. In addition, the excellent heat conducting properties facilitate fast cycling on automatic water-cooled machines.

M. L. Shelley and Partners is at St. Peters Road, Huntingdon, Cambs., PE18 7HE (0480 53651).

● COMPONENTS

Gyroscope agreements

IT HAS been announced by Marconi Avionics that agreement has been reached with Northrop Corporation for manufacture in the UK of the U.S. company's G1-G6 inertial sensors for application in Europe.

The precision, single axis torque re-balance sensors are sub-miniature (25 mm in diameter and 56 mm long), fluid filled and very rugged. Their high performance and reliability in adverse environments coupled with ease of mass production at low cost have enabled them to capture two-thirds of the U.S. market. Northrop has sold over 25,000 of them for use in the guidance and control systems of satellites, ships, aircraft, land vehicles and missiles.

More from the Gyro Division of Marconi Avionics, Airport Works, Rochester ME1 2XX (0634 44400).

Sends heat readings

LATEST RANGE of temperature transmitters from Fisher Controls offer thermocouple, resistance or differential resistance operation and use a two-wire system to provide the customary 4 to 20 mA output.

These devices are claimed to be easy to install and will mount in straightforward fashion on to thermowells and pipestands without the need for a separate junction box. Input/output isolation is provided as standard on all thermocouple models.

This PM series makes use of an element and electronic circuit board that can be individually inspected or removed without disturbing the field wiring. Each instrument can be calibrated on site over its full range by simply adding or removing jumpers on the board and then setting exact zero and span values with a pair of high resolution potentiometers.

More from Century Works, Lewisham, London, SE13 7LN (01-692 1271).

● MAINTENANCE

Cleans with cold water

AN EFFICIENT cleaner called the Tornado 120C high pressure cold water washer has been put on the market by Wickham Industries Equipment, Norton Road, Stevenage, Herts. (0438 4041).

Water can be drawn from an adjacent tank or mains supply. The unit's water output of two gallons a minute at 500 psi provides the cleaning power necessary for a wide range of jobs around factories, transport departments and on the farm.

LOMBARD

Letter to a friend in Eastern Europe

Dear X,
There is no need to tell you the news. You will know it as well as I do, not only because you read the western press and listen to western broadcasts, but because you read between the lines of your own publications and I sometimes suspect that you have a better and more intuitive historical understanding than I have.

So the Russians have invaded (we shall not quibble about the word) Afghanistan and there will be all sorts of international consequences. You know, because we have talked about these things before, that this is not the first time that a large power has invaded a small. We used to accept *Realpolitik*, great power interests and even spheres of influence as facts of life, though I am not sure how far we approved of them. In that sense you might say—but I wonder whether you will think—that there is nothing new. I doubt whether you will seriously try to justify it, except perhaps in public.

We both know that there is going to be an awful lot of propaganda in the next few weeks. It might be said in your part of the world that the Soviet action is no different from American behaviour in the past—for example, in Latin America, though if we put on our objective hats it is hard to see that as a recommendation. No doubt there will also be some very silly statements in the west about a Soviet push to the south and the Soviet view of the world. (Remember how we used to say those things in German?) Rest assured, we shall try not to take those views too dramatically, and indeed have no need to.

But you might remember too some of those conversations we had about the extent of Soviet power. You used to seem puzzled when I mentioned the size of the Soviet military build-up and stressed the western concern. I never went so far as to say that the western response should be based entirely on matching Soviet capabilities: there was a case for also taking intentions into account. But you will now understand, as indeed you had reason to before, that Soviet power tends to be used.

There was also an argument we had about the dangers of extending Soviet power into the third world. You took the view that the world outside Europe was open to ideological competition, if necessary backed by force. I said that that was dangerous and inimical to any kind of international stability including stability in Europe. The historical arguments you used—I speak frankly—were foolish. The west actually stopped colonising some time ago, then gave its colonies up. I take no pleasure in seeing my argument vindicated by events.

Yet the unspoken thought is obviously this: the Soviet invasion of Afghanistan hurts Eastern Europe more than it hurts anybody else, except perhaps Afghanistan. It is going to be harder for you to get those concessions which you wanted in the way of the gradual breaking down of barriers in our continent from the next stage of the European Security Conference. I always thought that what you really meant by that—and you did not contradict me—was greater independence from the Soviet Union. That is now jeopardised.

Of course, I realised the constraints under which you were operating. We understood each other too well to need to mention them. (That was a fascinating conversation we had not so long ago about West Germany becoming a force for peaceful change, though, as we said, there are hawks and doves in all countries.) Yet I wonder if you could find some way of expressing yourself more at home. Is the Warsaw Pact really going to endose what has happened without a murmur, even behind closed doors?

Please do not trouble to reply, though it would be wonderful if you could do so through your own newspaper. We too can read between the lines.

Malcolm Rutherford

Bringing back the plants which tower

GARDENERS, IN my view, are well rid of most of the past decade. Since 1974, the old pattern has broken up. I look back on early years in which it was cold for a week after Christmas and rained on and off in July and August. Septembers were clear with a good dew. Novembers were wet but frosty, too, for a night or so. It made sense to read on a seed packet that the seed should be sown in April when the ground was warm and rain could be anticipated. Last year, there were signs that nature was remembering herself. But for the other years, I look back on impossible hazards, snowfalls which split a *ceanothus* in March, red border poppies in flower in January, not a drop of rain from May until August and dandelions with tap-roots two feet long. 1976 was hotter and worse than 1975. Parts of 1978 were as sodden as 1974. There seemed to have been no season since the price of oil first started to move. Those who hate gardening have had the time of their lives. I met a lady over Christmas who thought the summer of 1976 was the height of happiness. It meant sunbathing, no baths for the children and a reason why the car should not be cleaned for her husband to drive it through puddles during the weekend For me, it meant the ruin of a re-sown lawn, a disaster with which I am still living and the deaths of several scores of alpines and shallow-rooted border plants which I had just moved into a new home on a freshly contoured site.

In 1980, then, I want the poets to be right, sweet showers again in April, mists in autumn and a frost in December, not June. In return, I resolve to be bold for the sake of plants which the catalogues explain away. I have had enough of dwarfs and Tom Thumbs, Knee-hi this and Lilliput that. The yearly seed catalogues are full of novelties which need no staking. The mood always grips me in January, so this year I will start the decade with a statement of intent. I sense that breeders are trying to scale down all our plants to match their own garden gnomes. Elfin hollyhocks and mini-sunflowers are to fish with plastic fairies in the fibre-glass front pools of the 1980s. We must all speak up for the plants which are big, bold and tall. I resolve, in short, to fill your minds with six-foot border plants and shrubs which climb up to a castle's gutter. In the garden, too, we are being guided into losing our sense of scale.

No doubt the Knee-hi and Bijou Sweet Pea is invaluable in a window-box. But I want to have the tall canes back again and line a border with Air Warden, Carlotta and the rest of them, grown like runner beans to a height of seven feet.

There has been a creeping fashion for the "island" bed; who on earth wants a kidney-shaped flower-bed in their lawn with an average height of three feet in its centre as its most dramatic feature? Cut out the islands and bring back the plants which tower, proper delphiniums like white Swan Lake, masses of the hollyhocks which I urged you to grow from seed, a clump or two of edible globe artichokes in a border and even a gigantic thistle and a five-foot clump anchusas? The anchusa, indeed, sums the fashion up. There were always the tall ones, those godsends for new gardens where they grow to a good height in their first year. When I matched the tall Dropmore Blue and its deep blue flowers with the single pale yellow shrub roses of early June, I hit on as happy a combination as you could wish. It was short-lived, as the anchusas declined after three good years. But nowadays, you have to be on your guard to avoid buying a pale shadow of an anchusa by mistake. The wild ones are fine and rare enough, six inches high or so if you can stop them rotting at the neck. But the recent border dwarfs seem to me to be a sad compromise, Little John at a height of 1½ feet. Go for the back row's varieties, where their gap, incidentally, is more easily concealed with tall sweet peas and so forth later in the year. Every garden plant can take more height.

This is a principle which I would stress for keen gardeners in towns. Most of you will look down rather narrow gardens whose end-boundaries are obvious. You can make a virtue of the shape of the plot. Bring something tall up into the foreground of your plan, so that you can still see through all round-about and one that will cast shade beyond it, or screen and frame a planting which stretches away from you. Designers have an odd taste for low-grown blobs of ground cover on what they misname a patio.

The blue-grey grass, *Festuca glauca*, finds its way in sooner or later in those mean little tufts which look uncomfortable and never quite touch, however thickly you may mass them. Be wary of this factory-planting for your own dear home. It belongs with concrete, hard surfacing, as they call it, and usually attracts a low dwarf conifer for contrast. Why not have tall fennel and the grey verbascum as your foreground, one plant whose five-foot height you can see through beside another whose spikes of flower, in season, look so bold that they seem to stand there by accident, a truly natural planting? It is far easier to catch the note of a wild garden, or artless one, a rural one, if you think big first.

Equally, height will help you to obscure the boundary-lines, depening the plain old rectangle with which you have to live. Tall hollyhocks against a thick backcloth of honeysuckle will throw shade and indistinctness on to an old lattice fence. Small Blue Fountain delphiniums and Lilliput Asters will leave your eye to run into the woodwork and see the limits of the garden at a glance. Height throws shade. The play of light and shade is the quality which no small garden can possibly ignore. Used well, it is its greatest strength. Hence, you can use a strong climbing vine or hop on an arch in the smallest site. They break up the evenness and give you a pattern which I have only learned to try to contrive after years in a small garden which has never had it right.

I leave you to run through the catalogues and put the six-footers first in the 1980s. Do not even stop at trees which you can prune very hard as border shrubs. A garden of giants is far more exciting than a dell of dwarfs. Leave fashion to go its own way. Bring back the sunflower and the big bamboo, tall Evening Primrose and the early summer spikes of the dramatic Eremurus. Bold gardening is never boring to the eye. If you do not have the room to grow a mass of the few plants which you like best, be bold in another way by growing those plants with a dominant height and scale.

GARDENS TODAY

BY ROBIN LANE FOX

Helianthus "Capenoch Star" (sunflower). Plant in deep rich soil and divide in spring

London stores make recovery

FINANCIAL TIMES REPORTER

AS HUNDREDS of thousands of workers continued to enjoy one of the longest Christmas breaks in recent years, the big London stores reported that business had picked up sharply after the slow start before Christmas.

The Engineering Employers' Federation said that most of its members had opted to close for the whole of Christmas week and the first two days of this week, returning to work today.

Judging by the response from major stores such as Marks and Spencer, C. and A., Debenhams and John Lewis in London, many holidaying workers were spending the time and their money at the sales, though not perhaps as freely as in recent years.

Birmingham Chamber of Commerce said that most of its 4,000 member-companies, excluding retailers, had added some annual leave entitlement to the statutory break, which will mean most Birmingham workers away from work for 10 days. The companies employ about 1m.

This trend seems to have been repeated throughout the country.

But at least one BL car plant, Austin Morris at Cowley, was working on New Year's Eve.

Austin Morris said this was because Cowley had taken an extra day's holiday earlier in the year, which was not taken at Longbridge.

A similar picture emerged in Glasgow, where the local chamber of commerce said: "For many companies it has now become policy to extend the Christmas break into the New Year."

In London many City offices remained empty, or carried a skeleton staff on New Year's Eve. Clearing banks throughout the country remained open.

British Rail said that traffic coming into the capital was cut by about half its nomal level on Monday.

In many major centres the upturn in retail sales in the few days before Christmas appears to have continued. Marks and Spencers said that trade had improved to such an extent that it expected total sales over the Christmas period to be higher than in previous years, despite a very slow start to trading.

Today's racing at Cheltenham has been cancelled

TV Radio

† Indicates programme in black and white.

BBC 1

10.00 am What a Mess. 10.05 Jackanory. 10.20 Captain Caveman. 10.30 Why Don't You . . . ? 10.55 Magic Roundabout. †11.00 Zorro. 11.25 Mickey Mouse Club. 11.55 Greatest Heroes of the Bible. 12.45 pm News. 1.00 Mary Chipperfield's Wildest School on Earth. 1.30 Playboard. 1.45 Tennis: Braniff Airways World Doubles Championship. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2 11.00 am). 4.20 Pixie and Dixie. 4.25 Jackanory. 4.40 Take Heart. 5.00 John Craven's Newsround. 5.05 Our John Willie.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 "The Gift of Love," starring Marie Osmond.
8.25 Fawlty Towers.
9.00 News.
9.25 The Good Old Days.
10.15 "Horror Express," starring Christopher Lee, Peter Cushing and Telly Savalas.
11.40 Weather/Regional News.

All Regions as BBC1 except at the following times:—

Wales—5.10-5.40 pm Bilidowcar. 5.55-6.20 Wales Today. 6.55 Heddiw. 7.15 Cofio Caernarfon (selections from the National Eisteddford). 7.45-8.25 Disney Time. 11.40 News and Weather for Wales.

Scotland—5.55-6.00 pm Scottish News. 6.00 Tom and Jerry. 6.10-6.55 "The Drystane Dyker" (play by James T. Duthie). 11.40 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.40 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

10.20 am Gharbar.
11.00 Play School.
1.20 pm Racing from Cheltenham.
3.30 New Year Matinee: 'Words and Music,' starring Mickey Rooney, Gene Kelly, Vera-Ellen, Judy Garland and June Allyson.
5.25 Atoms for Enquiring Minds.
6.25 Cricket: Australia v. West Indies (highlights).
6.55 The Brothers Lionheart.
7.25 Mid-Evening News.
7.35 Robin Ray's Picture Gallery.
8.30 The Great Bike Race: Jack Pizzey follows this year's Tour de France and its one British rider.
9.25 "The Black Stuff" (play by Alan Bleasdale).
11.15 Late News.
11.30 Tennis: Braniff Airways World Doubles Championship (*highlights*).
12.05 am Music at Night.

LONDON

9.30 am Cartoon Time. 9.45 To The Wild Country. 10.45 Rocket Robin Hood. 11.05 The Human Rights Day Concert. 11.55 The Bubblies. 12.00 The Adventures of Rupert Bear. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News, plus Weather, FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Sandringham, Sydney and Co. 2.45 The Life and Times of Grizzly Adams. 3.45 Hobson's Choice. 4.15 The Sooty Show. 4.45 The Book Tower. 5.15 The Practice. 5.45 News.

6.00 Thames News.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Benny Hill's Ten of the Best.
9.00 Best Sellers: "Beggerman, Thief."
10.00 News.
10.30 Best Sellers (continued).
11.15 Victor Borge In Concert: Encore!
12.00 Barney Miller.
12.25 am Close: Personal choice with Cyril Luckham.

All IBA Regions as London except at the following times:—

ANGLIA

9.45 am The Last of the Mohicans. 10.35 Solo One. 11.50 Cartoon Time. 1.25 pm Anglia News. 2.45 Fantasy Island. 5.15 Bonkers. 6.00 About Anglia. 12.00 The Big Question.

ATV

9.40 am Something Different. 9.55 Something Special. 10.45 The Skating Rink. 11.30 Bonkers! 12.30 pm Heritage in Danger. 1.20 ATV Newsdesk. 2.45 Family. 3.40 Cartoon. 5.15 Dynomutt—The Dog Wonder. 6.00 ATV Today.

BORDER

10.30 am Babel Yemen—Gateway to the East. 11.00 The Coral World. 1.20 pm Border News. 2.45 Chips. 5.15 Jabberjaw. 6.00 Lookaround Wednesday. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather. 2.45 The Love Boat. 5.15 The Practice. 6.00 Report at Six. 10.28 Channel Late News. 12.00 Police Surgeon. 12.25 Epilogue followed by News and Weather in French.

GRAMPIAN

9.35 am First Thing. 9.40 Thunderbirds. 10.35 Kum Kum Cartoon. 11.00 People of the Seal. 1.50 pm Feature Film: "Two Rode Together" starring James Stewart, Richard Widmark and Shirley Jones. 5.15 The Remarkable Rocket. 6.00 Cartoon Time. 6.10 Wild, Wild Word of Animals. 8.00 The Likes of Sykes. 12.00 Barney Miller. 12.25 am Reflections.

GRANADA

9.30 am Sesame Street 10.25 To the Land of the Morning Calm. 11.35 Cartoon. 11.45 The Magic Ball. 1.20 pm Granada Reports. 2.45 Family. 5.15 Bonkers. 6.00 Granada Reports. 12.00 Night Flight.

HTV

9.50 am Kum Kum. 10.15 Wild Wild World of Animals. 10.40 The Lost Islands. 11.10 Stars in their Eyes. 11.50 The Animates. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.45 Family. 5.15 Cartoon-time. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Three Little Words. 12.00 Night Flight.

HTV Cymru/Wales—As HTV General Service except:— 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.45-5.15 'Rydw I am Fod. 6.00-6.15 Y Dydd. 11.15-12.25 am David Frost's New Year Special.

HTV West—As HTV General Service except:— 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

9.30 am World of Dogs. 9.40 Feature Film: "Marco" starring Desi Arnaz Jnr. and Zero Mostel. 11.25 Get it Together. 1.50 pm B.J. and the Bear. 2.50 A long Winter's End—Tom Weir. 3.50 Cartoon. 3.55 Feature Film: "John and Julia" starring Lesley Dudley, Moira Lister and Wilfrid Hyde White. 5.20 Crossroads. 6.00 Scottish News Headlines. 6.05 Walt Disney Classic. 6.15 Wild Boy. 8.00 The Likes of Sykes. 11.15 The Show Stoppers—Marie Gordon Price. 12.00 Maude. 12.25 am Late Call.

SOUTHERN

9.30 am Clue Club. 9.55 Tarzan. 10.45 Kum Kum. 11.10 Young Ramsay. 1.20 pm Southern News. 2.00 Houseparty. 2.30 Sandringham, Sydney and Company. 3.45 Stars on Ice. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.35 Scene Midweek (South East area only). 12.00 Southern News Extra. 12.05 am Police Surgeon.

TYNE TEES

9.20 am The Good word followed by North East News. Headlines. 9.30 Kangaroos Can't be Cornered. †10.30 Film: "The Winslow Boy" starring Robert Donat and Margaret Leighton. 1.20 pm North East News and Lookaround. 2.45 The Love Boat. 5.15 Happy Days. 6.00 Northern Life. 12.00 Night Flight. 12.30 am Epilogue.

ULSTER

10.05 am Feature Film: "Ivanhoe" starring Robert Taylor and Elizabeth Taylor. 11.50 The Animates. 1.20 pm Ulster News Headlines. 1.22 Cartoon Time. 2.45 B.J. and the Bear. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.05 Canadian Celebrity Concert (Englebert Humperdinck). 12.00 News at Bedtime.

WESTWARD

9.45 am Dancers. 10.35 Sesame Street. 11.35 Bonkers. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 The Love Boat. 6.00 Westward Diary. 10.28 Westward Late News. 12.00 Police Surgeon. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Young Ramsay. 10.20 "The Games" starring Michael Crawford, Stanley Baker and Ryan O'Neal. 1.20 pm Calendar News. 2.45 The Liberace Show. 5.15 Father Dear Father. 6.00 Calendar (Emley Moor and Belmont editions). 12.00 Tropic.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 200kHz/1500m & 92.95vhf
4 1215kHz/247m & 90-92.5vhf stereo

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast.

5.00 am As Radio 2. 6.00 Dave Lee Travis 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Radio 1 Mailbag. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel. (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket: Australia v. West Indies (report). 5.04 Steve Jones (S) including 6.03, 7.03 Cricket and 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.03 Cricket. 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 The Organist Entertains (S). 7.30 Listen to the Band (S). 8.15 The Magic of the Musicals (S). 9.02 Green On . . . Arden (S). 9.55 Sports Desk. 10.02 Stop the World . . . 10.30 Paul Daniels says Be My Guest. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

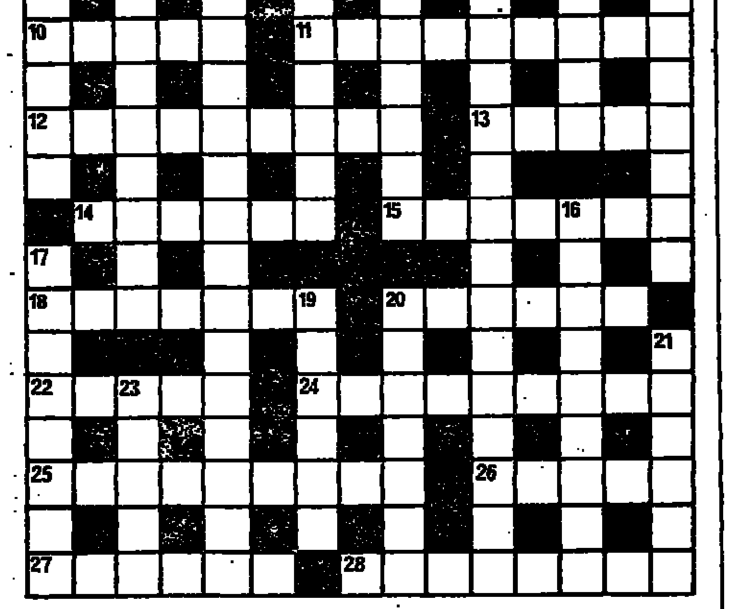
RADIO 3

6.00 am Test Match Special: Australia v. West Indies. 7.05 Weather. 7.10 News. 7.15 Your Midweek Choice record requests, part 1 (S). 8.00 News. 8.05 Records, part 2. 9.00 News. 9.05 This Week's Composer: Rossini (S). 10.00 Music for Organ (S). 10.35 Goday, Sire Christemas: Concert of British choral music (S). 11.30 Chicago Symphony Orchestra Concert, part 1 (S). 12.10 pm Interval Reading. 12.15 Concert, part 2. 1.00 News. 1.05 Concert Hall (S). 2.05 Music Weekly (S). 2.55 All Across the USA. 3.35 Fifty Years of British Music (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Music Now: Conversation with Sir Michael Tippett. 7.45 Tippett at 75 Concert, part 1 (S). 8.50 Six Continents. 9.05 Tippet at 75 part 2 (S). 9.40 The Direction of Modern Music (S). 10.20 Schubert's Heine Songs (S). 10.50 String Quartets (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Pineapple Poll (S). 6.25 Shipping Forecast. 6.30 Today, including. 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.45 Lady Into Fox. 9.00 News. 9.05 Mid-Week with David Hemmings. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 Little Women. 11.00 News. 11.05 Baker's Dozen (S). 12.00 News. 12.02 pm You and Yours. 12.27 Double Act. 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre. 4.00 Choral Evensong (S). 4.45 Short Story. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Flowers of Martyrs: 400th anniversary of the Venerable English College, Rome. 7.45 On The Town in Birmingham. 8.30 A Sideways Look At . . . by Anthony Smith. 8.45 Analysis: Economics in the '80s. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Give or Take (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Unforgettables. 12.00 News.

F.T. CROSSWORD PUZZLE No. 4,163



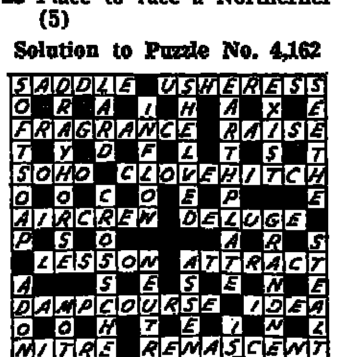
ACROSS

1 Girl in prison was extravagant (8)
5 One member may perform with considerable influence (6)
10 Textile fibre producing rope up to a point (5)
11 Smuggled spirits? Nonsense! (9)
12 Possibly dials Miss Sack (9)
13 Set upright before both ends of craft (5)
14 Little credit is doubly seen in turning-point (6)
15 Pretend to be of inside press (7)
18 Public walk to a thoroughfare for duck (7)
20 Play this to feign being late (6)
22 Instrument from the south is high in pitch (5)
24 Deceiving on more than one occasion? (3-6)
25 Encouragement in foreign currency I've followed (9)
26 Ingenuous one in part of church (5)
27 Tea urn may generate kindliness (6)
28 Confined in tender mixture (8)

DOWN

1 May admit boy with ailment (6)
2 Pole in mixed trials is turning to the left (9)
3 Does it help a writer to get to the point? (6-9)
4 Retributive justice making sin seem distorted (7)
6 Teacher of skill or person of degree (6,2,7)
7 Tolerate a proposal to Oriental (5)
8 Article in which doctor is initially engrossed (8)
9 Arrive to make a bet (4-2)
16 Learning from publication about Rugby Union (9)
17 Something left out of circular letter to embassy (8)
19 Give information to a small group of soldiers (6)
20 In favour of note in nutrient (7)
21 Rush after silver? O.K.! (6)
23 Place to race a Northerner (5)

Solution to Puzzle No. 4,162



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight 7.00: Julius Caesar. Tomor., Sat. & Tues. 7.30: A Night in Venice. Fri. 7.00: The Force of Destiny. 104 balcony seats avail. from 10 am on day of perf.

COVENT GARDEN. CC. S. 240 1066. (Gardencharge credit cards 836 6903.) THE ROYAL BALLET. Ton't. & Tomor.: 7.30. Cinderella. Sat.: 7.30. Swan Lake. THE ROYAL OPERA. Fri. & Mon.: 7.30. La traviata. 65 Amphi seats avail. for all perfs. from 10 am on day of perf. Sat.: 2.00 and Tue.: 7.30. DIE FLEDERMAUS. (Amphi. seats avail. at all perfs.)

ROYAL FESTIVAL HALL. 01-928 3191. Evgs. 7.30. Mats. to Jan. 5 & Jan. 12 at 3. LONDON FESTIVAL BALLET in spectacular prodn. of Tchaikovsky's THE NUTCRACKER. Today: Loeber. Tom van Cauwenbergh. Hayworth. Tonight: Asensio. Jolley. Dolin.

THE ROUND HOUSE. 267 2564. From tomor. Evgs. 7.30. Mats. (exc. 7 & 8 Jan.) 2.30. World Premiere THE PIG ORGAN. A comic opera for all ages. Presented by the Royal Opera House in assoc. with the Opera Players.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. 837 1672. Credit cards 837 3856 & 837 7505. Until Feb. 16 D'OYLY CARTE in GILBERT & SULLIVAN. Today 2.30 & 7.30: The Pirates of Penzance. Tomor. & Fri. 7.30. Sat. 2.30 & 7.30: Iolanthe.

SADLER'S WELLS THEATRE. Rosebery Ave. EC1. 837 1672. Sunday 7.30 Lehar's THE LAND OF SMILES (sung in German) Teresa Cahill. Kate Flowers. David Rendall. Robert Dean.

THEATRES

ADELPHI. CC. S. 01-836 7611. MY FAIR LADY. Evgs. at 7.30. Sat. 4.00 and 7.45. Mats. Thursdays at 3.00. TONY BRITTON. LIZ ROBERTSON. PETER BAYLISS and ANNA NEAGLE in THE WORLD'S GREATEST MUSICAL MY FAIR LADY. Book now Theatre & Agents New Credit Card Hotline 01-836 7358.

ALBERY. S. From 9 am. 836 3878. Credit cards 379 6565. Group sales 379 6061. Evgs. 7.45. Thurs. and Sat. 4.30 and 8.00. OLIVER! GEORGE LAYTON. HELEN SHAPIRO. MARGARET BURTON.

ALDWYCH. S. CC. 836 6404. Info 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Ton't. 7.30. Tomor. 2.00 & 7.30. Moss Hart and George S. Kaufman's ONCE IN A LIFETIME. "It's colossal. It's stupendous." D. Mail. With: Pam Gems PIAF (next perf. Jan. 11). Now booking for THE GREEKS at the Aldwych from Jan. 19. RSC also at The Warehouse (see under W).

AMBASSADORS. CC. 01-836 1171. Evgs. 8.0. Fri. & Sat. 5.30 & 8.03. DINSDALE LANDEN. GWEN WATFORD. DAVID BURKE. ANGELA DOWN in BODIES by James Saunders.

APOLLO THEATRE. CC. 01-437 2663. Eves. 8.00. Sats. 5.00 and 8.00. Mats. Thur. 3.00. IAN LAVENDER. TERENCE EDMOND. JULIA FOSTER in HAPPY BIRTHDAY. Last 2 weeks—must end Jan. 12.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN. Monday to Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London. £4.00. £3.35. £1.60. plus 15p temp. members. Sat. £4.85.

THEATRES

KING'S HEAD. 01-226 1916. Dinner 7.00. Show 8.00. NASHVILLE, NEW YORK. Verse by Ogden Nash. Devised by Robert Cushman.

LYRIC HAMMERSMITH. 01-741 2311. Until Sat. Twice daily 2.30 & 7.30. Jan. 7 to Jan. 12, Mon. to Sat. 7.30. Mats. Wed., Thur. & Sat. 2.30. ALADDIN by Sandy Wilson. A brand new Christmas musical for the whole family, specially written for the Lyric Hammersmith.

LYRIC STUDIO: Eves & Sun. 8.00. Sats. 5.30 & 8.30 (No perf. Jan. 7). CITY DELIGHTS. The first of a new series of Lyric revues.

LYRIC THEATRE. CC. 01-437 3686. Grp. Sales 379 6061. Eves. 8.00. Wed. 3.00. Sat. 5.00 and 8.00. RICHARD BRIERS. PAUL EDDINGTON in MIDDLE AGE SPREAD. COMEDY OF THE YEAR. WEST END THEATRE AWARDS.

MAYFAIR. 629 3036. Eves. 8. ALBERTO Y LOS TRIOS PARANOIAS in NEVER MIND THE BULLOCKS. A light-hearted look at the Black Death. Group Sales 379 6061.

MAY FAIR. S. 01-493 2031. NOW OPEN Daily 10.30 am-2.00-4.00 pm SOOTY'S XMAS SHOW.

NATIONAL THEATRE: 'S' CC 928 2252. OLIVIER (open stage): Today 2.45 (low price mat.) & 7.30 THE WILD DUCK by Henrik Ibsen trans. by Christopher Hampton. Tomor. 7.30 Richard III. LYTTELTON (proscenium stage): Ton't. & Tomor. 7.45 WHEN WE ARE MARRIED by J. B. Priestley. COTTESLOE (small auditorium): From 8 Jan. 8.00 (prev.) The Long Voyage Home. Excellent cheap seats from 10 am day of perf. all 3 threatres. Car park. Restaurant 928 2033. Credit card bkgs 928 3052.

OLD VIC. 928 7616. CC bkgs. 261 1821 (until 19 Jan.). Richard Goolden, Ian Talbot TOAD OF TOAD HALL. Tdy-T'mor. 2.30. Fri., Sat. 2.30, 6.45.

PALACE. CC. 01-437 6834. Mon., Thurs. 8.00. Fri., Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber. Group sales 01-379 6061 or Freephone 2381

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in RODGERS & HAMMERSTEIN'S THE KING AND I also starring VIRGINIA McKENNA. HOTLINE—01-437 2055. Evenings 7.30. Mat. Wed. & Sat. 2.45. EXTRA MATINEES at 2.45 pm on Jan. 3, 8, 10 and 17.

PHOENIX THEATRE. CC. 01-836 2294. Evs. 8.00. Wed. 3. Sat. 5.00 & 8.30. SUSAN HAMPSHIRE, PATRICK MOWER 2nd YEAR OF TOM STOPPARD'S NIGHT AND DAY. Directed by Peter Wood. BEST PLAY OF THE YEAR. Evening Standard Drama Award.

PICCADILLY. From 9.00 am 437 4506. CC bkgs. 836 1071. Evgs. 8.00. Thurs. 5.00 and 8.00. Sat. 5.30 and 8.30. PETER BARKWORTH, HANNAH GORDON in Brian Clark's new play CAN YOU HEAR ME AT THE BACK? Last 7 weeks. Must end 16 Feb.

PRINCE EDWARD. CC. 01-437 6877. Evgs. 8.00. Mats. Thur. & Sat. at 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES THEATRE. 930 8681. An evenings with TOMMY STEELE and his Company. Evgs. Mon.-Thurs. 8.30

THEATRES

WESTMINSTER. CC. S. 834 0283. Wkdys. 3.00 & 8.00. Sat. 2.30 & 5.30. The Musical Theatre Company in JOSEPH AND THE AMAZING TECHNICOLOR DREAMCOAT by Tim Rice and Andrew Lloyd Webber. Starring Paul Jones. Nov. 1-Jan. 19 ONLY. Group Sales 01-379 6061.

WHITEHALL. CC. 01-930 6692-7765. Mon. to Thurs. 8.00. Fri. and Sat. 6.10 and 8.50. IPI TOMBI. FIFTH GREAT YEAR. Reduced rate group bookings. 734 2293.

WINDMILL. CC. 01-437 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. The erotic experience of the modern era. Fourth great year.

WYNDHAM'S. From 9 am. 836 3028. CC. 379 6565. Evgs. 8.00. Wed. Mat. 3.00. Sats. 5.30 and 8.30 HALF-PRICE PERFS. Mon. 8.00. Wed. 3.00. Alec McCowan. Penelope Wilton in TISHOO.

WYNDHAM'S. Special 5 week season from 15 Jan. Royal Shakespeare Company in Pam Gems' PIAF. "Magnifique." D. Mail.

YOUNG VIC. 928 6363. Ton't 7.30. THE HUNCHBACK OF NOTRE DAME. Phone for details of daytime children's shows. THE ANCIENT MARINER. THE GOLDEN RING (puppets).

CINEMAS

ABC 1 & 2. SHAFTESBURY AVE. 836 8861. Sep. perfs. ALL SEATS BKBLE. 1: APOCALYPSE NOW (X). Wk. & Sun. 1.15. 4.30. 7.55. 2: APOCALYPSE NOW (X). Wk. & Sun. 2.15. 7.20.

CLASSIC 1. 2. 3. Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: Anthony Quinn CARAVANS (A). Progs 12.50. 3.00. 5.30 8.05. 2: Peter O'Toole ZULU DAWN (A). Progs 1.05. 3.15. 5.40, 8.05. 3: Sean Connery METEOR (A). Progs. 1.00 2.50. 5.25. 8.00.

CLASSIC POLY. OXFORD CIRCUS (Upper Regent Street). 637 9863. Burt Lancaster ZULU DAWN (A). Progs. 2.40, 5.15. 7.55.

CLASSIC 1, 2, 3, 4, 5. Oxford St. 01-636 0310 (opp. Tottenham Court Rd. Tube). 1: Anthony Quinn CARAVANS (A). Progs 2.00, 5.00, 8.00. 2: METEOR (A) Progs. 1.30 3.45. 6.00. 8.15. 3: Woody Allen MANHATTAN (AA). Progs. 12.50. 2.50. 4.50. 6.50. 8.50. 4: J. R. R. Tolkien's THE LORD OF THE RINGS (A). Progs 1.00. 3.25 5.55. 8.25. 5: LOVE AT FIRST BITE (AA). Sep. perfs. Doors open 2.00, 5.00, 8.00.

CLASSIC, Leicester Square. 930 6915. GOLDEN LADY (X). FLESH GORDON (X). Progs. 12.50. 2.25. 4.05. 7.20.

CURZON, Curzon Street, W1. 499 3737. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.). 4.00, 6.20, 8.40.

ODEON HAYMARKET (930 2738-2771). RICH KIDS (AA). Sep. perfs. Wks. 2.15, 5.20, 8.15.

ODEON LEICESTER SQUARE (930 6111). THE BLACK HOLE (A). Sep. progs. Dly. Drs. open 1.15. 4.30. 7.45. All

ART GALLERIES

TRAVEL

THE ARTS

The Year in the Theatre—2

A dead West End but life in the provinces by MICHAEL COVENEY

As the 1970s began, theatre critics noticed that things were on the move in basement and cellar, in attic and loft. The fringe had arrived partly as an echo of off-Off-Broadway, partly as a response to cultural and political change in Europe, in America, in our own universities. As the decade tamely comes to an end, I may as well say that the fringe failed to come of age. It has not changed the theatre, let alone the national consciousness. That is not the same at all as saying that there is nothing to show for the attempt.

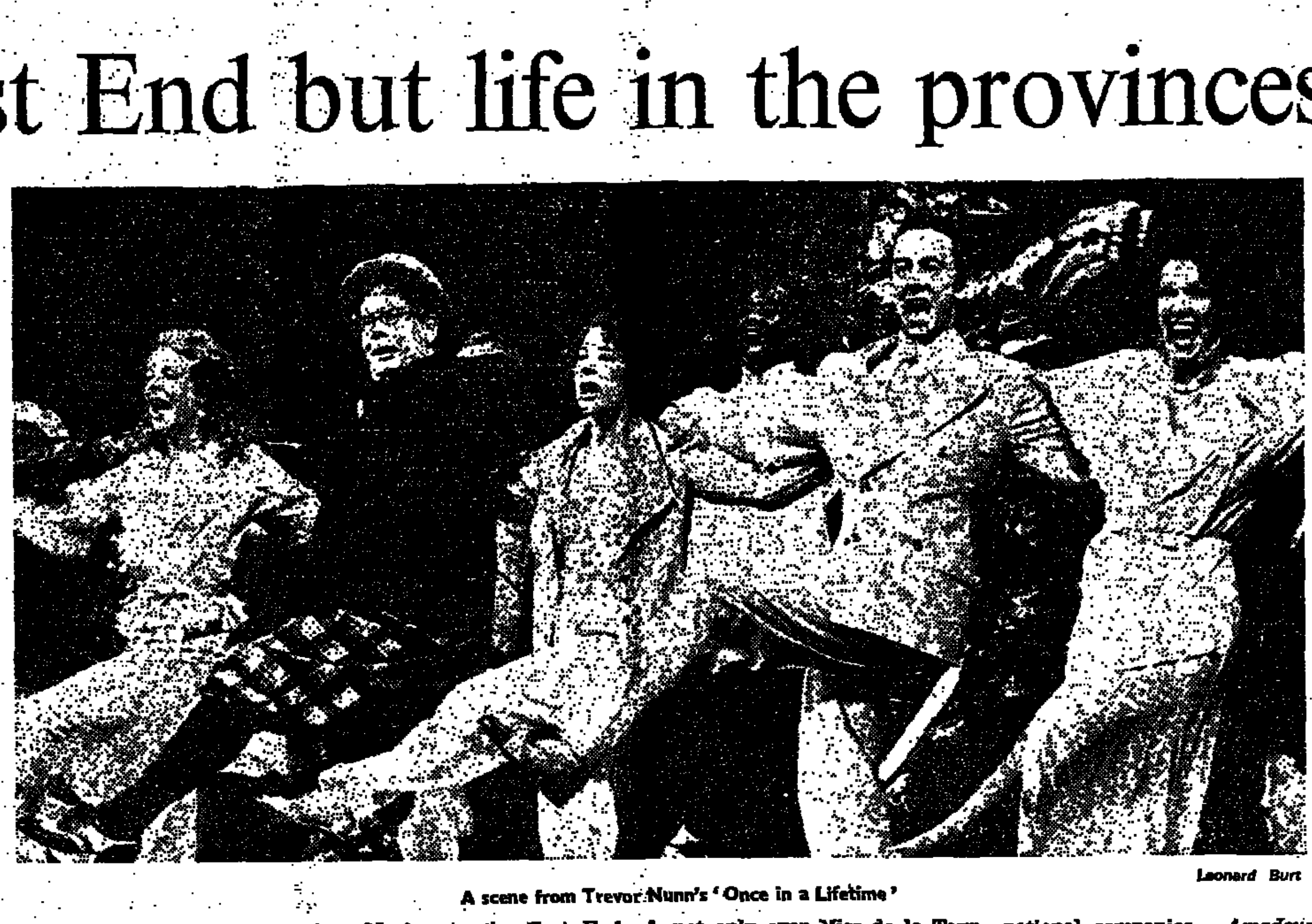
Nor is it the same as denying the impact of such well-run venues as the Hampstead Theatre, the Bush, the Open Space or the ICA. Because those London houses have made an enormous contribution over the years: Michael Rudman, for instance, formerly of Hampstead, is now ensconced at the National and delivered magnificently on two occasions in the Lyttelton this year with *For Services Rendered* and *Death of a Salesman*; the Bush has flourished by ignoring the surrounding flabbiness and inertia and in 1979 has introduced two undeniably gifted new dramatists, Julia Kearsley (with *Wednesday*) and Peter Tinniswood (a TV writer and novelist whose *Wilfred* was funny, fresh and inventive); Charles Marowitz's Open Space is, as usual, up against it, as the theatre vacates Euston Road premises for nomadic status—the promised home in the EMI redevelopment complex is still unforthcoming; the ICA has had a notably adventurous year which began with Ken Campbell's *The Warp* (more of which later) and ended with Snoo Wilson's *Flaming Bodies*, an offbeat psychodrama in which a fat lesbian screenwriter lost her job but found her sanity by confronting her own, and Mr. Wilson's, insatiable demands for extravagently theatrical intervention.

No, the real trouble is that most people's idea of fringe theatre is very similar to most people's idea of any other kind of theatre, except that it happens in less comfortable surroundings. The true alternative does not really exist. And, if it does, it receives little attention and no money. The fringe has become institutionalised to such an extent that madmen and daredevils are no longer part of it. Old fringe hands like Pip Simmons and the People Show continue on the European circuit. The former is due back in London next year with a nuclear energy show, while the People Show are being presented, about 10 years too late, by the Royal Court on the main stage in February.

Back to *The Warp*, a 10-play cycle by Neil Oram which came together on a shoestring budget under the magic wand of Ken Campbell, who is certainly a daredevil and very probably a madman. I saw the first complete cycle in January and missed not a word of the 20-hour performance. It was like an animated tapestry of a beatnik poet's life through the 60s. But, unlike all the po-faced fringe plays covering the same territory (Tom McGrath's *The Innocent* at the Warehouse, Shane Connaughton's *Forever Young* at Nottingham were but two), this extraordinary event managed, by its sheer length, breadth and zest, to both analyse and celebrate a decade which seems more remote, yet more attractive, by the day. The cast was half professional, half amateur; Neil Oram was played by an unknown actor called Russell Dent who combined superbly perennial innocence and a sense of ageing (which, inevitably, is a process you undergo in the course of 20 hours!); and we had scenes of Soho café life, Irish UFO conferences, Oriental meditation, psychonanalytical interrogation, group sex and family crises. It was, in fact, a sort of "Acid Archers." The other thing about *The Warp* was its total lack of pretension. Peter Brook, indisputably a major director of our day, has lots of subsidy in Paris with which to discuss "the essentials of theatre" in his interviews and productions. Ken Campbell has no money and just shows you.

Back in the more conventional fringe, the King's Head had an outstanding year with a string of hits, four of which praised famous men: Bix Beiderbecke, Lenny Bruce, Frank Harris and Ogden Nash. The Harris show, *Fearless Frank*, was my favourite musical of the year although, along with many others, I had greater admiration for *Songbook*, which took an arid cabaret format and transformed it into a resonant vehicle of nostalgia, parody and performance virtuosity. Mustapha Matura came back obviously refreshed from a spell working with teenagers to produce *Welcome Home Jacko* at the ever-interesting Riverside *Studios*. There were several talented black actors in this show which not only had the smell of real life about it, but was genuinely funny on the subject of Rastafarian rivalry in a close-knit community (a quality lamentably absent from Leigh Jackson's comparable but abysmal *Reggae Brittania* at the Royal Court).

The Royal Court put its best plays this year in the Theatre Upstairs. On the main stage there was the disastrous *Gorky Brigade* and the worthy but dull *Sergeant Ola and His Followers*. The latter at least had the happy side-effect of displaying the charm and variety of Norman Beaton in the lead role. *Bent*, which astonishingly succeeded when it transferred to the West End in July, was a sensationalist, badly-written piece dignified by Ian McKellen and Tom Bell. Done by Gay Sweatshop in Dewsbury, no-one would have noticed. Upstairs, though, I greatly enjoyed Michael Hastings's *Carnival War A Go Hot*, a farce of uniform and authority that owed much to Joe Orton but deserved a wider audience on its own merits; and Wallace Shawn's *Marie and Bruce* which was a skilfully comic dissection of a New York relationship, done with real theatrical flair and reminiscent in tone one minute of Michael Weller, the next of Woody Allen.



A scene from Trevor Nunn's 'Once in a Lifetime'

Leonard Burt

Moving to the East End of London, the Half Moon in Aldgate reasserted its supremacy over the Theatre Royal in Stratford, where the director, Clare Venables, resigned in a huff after a distinctly unimpressive short stay. The company at Stratford has been way below par and the new writing has been mainly supplied by the doomed school of tape-producer dramatists, led by Rony Robinson and Nick Darke (I must here say that Mr. Darke has a strong lobby going for hi min London but, having seen two of his shows this year, I remain unconvinced). The Stratford *Puntila* was the final insult. The Half Moon, of course, has long been a useful minor venue. Robert Walker's excursions into the classic and modern repertoire have been unpredictable: *Guys and Dolls* on a postage stamp was fine, so was David Zane Mairowitz's slightly earnest Engels piece, *Landscape of Exile*. I loathed the *Woyzeck*, though, and was bored rigid by *Mayakovsky* from East Germany. Mr. Walker wants the Half Moon to move into a more populated district, and work will soon start on a Welsh chapel in the Mile End Road. Meanwhile, a baptismal party was given there in the shape of Frances de la Tour's *Hamlet*, an exciting production at which several critics nearly lost their heads, not only over Miss de la Tour, but also in the final close-contact duel scene.

The West End has offered no new play of any importance. The managements seemed to be sounding a warning shot with the appalling *Forty Love* back in February. This was to be the year of the male menopause on Shaftesbury Avenue. In *Tishoo*, Alec McCowen was dividing his time between rabbits and Penelope Wilton; in *Last of the Red Hot Lovers*, Lee Montague failed to have an afternoon bit on the side in three successive acts with three successively unobtainable girls; in *Can You Hear Me At The Back?* Peter Barkworth was a disillusioned architect on whom a neighbour's wife is taking out planning permission; in *Middle Age Spread* Richard Briers as a pot-bellied teacher went back to the wife after a spot of private tuition from a beautiful colleague.

And that was it. It would be untrue to suggest that good plays were languishing in the provinces or indeed anywhere else. Unlike the situation ten years ago, there is not a lot of new work banging on the door of either the West End managements or even the major national companies. *Amadeus* was arguably the only new play of any *size* in the entire year. Nothing from Shaffer's contemporaries except a couple from Simon Gray; nothing, either, from the younger generation to compare with such recent contributions as David Hare's *Plenty* or David Edgar's *Destiny*. It was fascinating to see Richard Cottrell at the Bristol Old Vic revive *Destiny* on his main stage. The Bristol audiences are by no stretch of the imagination the most adventurous in the land. But *Destiny they flocked to*, and loved. I think the West End managements are promoting the male menopause to flatter the backers on the First Night. *Bodies*, perhaps, is to blame for starting the trend, and that eventually came to the Ambassadors from Hampstead in April, where it has played to capacity ever since.

Outside of London, only the Glasgow Citizens has maintained a constant standard throughout the decade. People who never go there and just look at the photographs dismiss the place as a decadent receptacle of style, ignoring the sheer adventure of the programme and its assiduous cultivation of gifted young actors. Goldoni's *Country Life* was a British premiere; a couple of months later the imitative Oxford Playhouse feebly boasted of presenting the English premiere. I have also enjoyed Glasgow revivals of Cocteau's *Orpheus* and Shaw's *Pygmalion* (rescued from the grip of Women's Lib by showing Higgins as a demanding impresario and *Eliza*—played powerfully by Johanna Kirby—as a foul-mouthed Pinocchio who, despite Ascot and the Embassy Ball, never cuts free). One rarely goes to Coventry but I did visit the Belgrade there to see the first production this century of Cyril Tourneur's Jacobean masterpiece, *The Atheist's Tragedy*. It was by no means a brilliant revival, but it completely confounded the academic evidence that states the play to be "bad theatre." If only the RSC could afford to be as pioneering in the Elizabethan and Jacobean repertorie as Trevor Nunn would like. Why, in the meantime, don't some of the RSC's young directors get cracking in the Warehouse?

The Royal Exchange in Manchester was triumphant at the Round House with Edward Fox in Eliot, Michael Hordern in Evelyn Waugh and, especially, Vanessa Redgrave in Ibsen. Back at base, there were plenty of bones to pick, but fascinating evenings with Patricia Routledge in a comparatively unknown Pinero, *The Schoolmistress*, and James Maxwell in the British première of von Hofmannsthal's *The Deep Man (Die Schwierige)*. It is always an event at the Royal Exchange, even if productions are sometimes as bad as Braham Murray's of *The Three Musketeers* and Casper Wrede's of *The Cherry Orchard*.

The Haymarket at Leicester is a very well-run and successful regional theatre but it is not of tremendous interest at the moment. There was a worthwhile revival of Giles Cooper's *Everything in the Garden* and an intelligent attempt to stage part of Frederic Raphael's TV series *The Glittering Prizes*. However, they also presented the worst play with the worst title of the year: *One of our Owls is Missing*. Currently running is *Oklahoma!* an Arts Council touring project along the lines of last year's *My Fair Lady* (still at the Adelphi) to which one reliably sycophantic daily newspaper has already been invited while the rest of us must sharpen our pencils until mid-January.

I mourn the comatose posture of the Nottingham Playhouse which, for several years in the 70s, was the best of our regional theatres and the one most in touch with new writers and actors. The Liverpool Everyman, too, has declined severely since the departure of Alan Dossor and is now reduced to re-heating some not very good fringe plays of the recent past. It is difficult to tell if Nottingham and Liverpool are victims of circumstance or of unimaginative leadership. One suspects a mixture of both elements is involved. No self-respecting critic of regional theatre is ever seen near the Edinburgh Lyceum these days except at Festival time, although we must wait and see if the new director Leslie Lawton, has anything to lure us thither. He opened his regime with *Side by Side by Sondheim*. Not promising.

In addition to the new plays mentioned, London should have had a chance to see *Animal* by Tom McGrath, an astonishing production for the Edinburgh Festival by Chris Parr and the Traverse which fused physical movement and anthropological observation to thrilling effect; and also Willy Russell's *One For The Road* which toured around for a brief while before nobody brought it to London. It was one of the few plays of the year to be both funny and incisive about the problems of young people growing not older, but less young, if you see what I mean. We all know the feeling, and Alun Armstrong's performance in the lead role was a farcical display of the highest quality.

Finally, my favourite performances of the entire year were those of Constance Cummings (in *Wings*), Vanessa Redgrave, Warren Mitchell (as Willy Loman), Philip Jackson in *Wilfred*, Simon Callow as Orlando and Mozart at the National, Paul Scofield in *Amadeus* and Frankie Howerd at *Country Cousin*, his first London cabaret in 15 years. Favourite productions: *The Warp*, John Barton's *Love's Labour's Lost*, Trevor Nunn's *Once in a Lifetime*, Peter Wood's *Undiscovered Country*, the People Show at Chapter Arts, Cardiff, and Philip Prowse's gorgeous Edinburgh Festival revival of *Chincilla*.

Television

Not a vintage year by CHRIS DUNKLEY

As we have come to expect in recent times, the most engrossing items of drama and news emanating from television in the past year have concerned the medium itself.

Management and unions in commercial television sustained the longest stoppage in the history of British broadcasting when they blacked out their network for 75 consecutive days in the summer.

Reggie Bosanquet wrote a poem to Anna Ford, burst into tears, left ITN after a quarter of a century of endearingly sumbling up the jyllables while reading the news, and was promptly invited on to the Royal Variety Show.

James Callaghan's administration finally accepted the excellent idea of using Britain's fourth TV channel as an open broadcasting network "publishing" a wide variety of programmes from different sources as a publisher issues books, whereupon the Conservatives won the General Election, aborted the OBA, and handed the channel over to commercial television. It should be operating within a mere couple of years.

Towards the end of 1979 the BBC was allowed the largest ever increase in the licence fee —from £25 to £34 for a colour set.

Looking forward to the next decade Sir Harold Wilson warned of an invasion by European television programmes beamed into Britain via satellite. *He did not* mention, however, that the domestic dish aerials needed to receive "TV Luxembourg" or whatever will cost eager viewers £175 or so each.

But what of the programmes? The year did not produce one of Britain's best vintages, a fact borne out by the failure of the BBC and ITV to carry off any of the three main prizes at the world's major television festival, the Prix Italia, a failure which was quite a novelty since Britain has been easily the most successful country at the festival during the 1970s; 1974 was the only other year when no British programme won a prize.

Yet there were, of course, programmes which stood out from the general run of moving wallpaper and will remain memorable.

Among series and serials which constitute television's most suitable and powerful drama form, *Testament Of Youth* carried off top honours. Vera Brittain's account of nursing during the First World War and of going to Oxford before and after that war, was translated to the screen with a quiet but wonderfully effective style by adaptor Elaine Morgan and director Moira Armstrong. The serial allowed Cheryl Campbell in the central role to prove that her tremendous success the year before in *Pennies From Heaven* was no chance phenomenon.

The other serial offering a serious challenge for any prizes going was the highly entertaining *Tinker Tailor Soldier Spy*, and there are four interesting characteristics which it shared with *Testament Of Youth*: both were BBC2 presentations, both were adapted from books, both were broadcast in the autumn season, and both were produced by Jonathan Powell. *TTSS* split the nation into two camps: those who found the crossword-like intricacies of the script and the reliance upon close-ups and small nuances utterly arresting, and those who would happily have arrested the whole production team and prosecuted them for obscurity, pretentiousness and infuriating mannerisms.

Two other drama series are memorable. *Telford's Change* which can be seen clearly in retrospect as fairly high quality soap opera (more concerned with its own continued existence as a television artefact than with communicating one finite set of thoughts as did *Testament Of Youth*) was notable for being the property of producer Mark Shivas, director Barry Davis, writer Brian Clark and actor Peter Barkworth who moved as a team into the theatre. *Rumpole Of The Bailey* had lost the interest of novelty but continued to offer an unusually fine form of intelligent entertainment of which television provides all too little.

Top honours: Cheryl Campbell and Peter Woodward in 'Testament of Youth'

The best documentary series of the year—and there can surely be little argument about it—was *Life On Earth*, written and presented by David Attenborough and produced by Christopher Parsons. It was one of the most ambitious ideas ever undertaken by any television service, and one in which pictures, information, and ideas merged in the happiest and most productive fashion to create consistently engrossing material.

Everyman should have a special mention as the thinking man's religious series, never going for the easy option, often *investigating unexpected* yet rewarding subjects (Buddhists in Sussex come to mind, and Bible smuggling) and employing in Peter France one of the sanest and most competent reporters anywhere on television.

Among comedy series *Not The Nine O'Clock News* brought thoughtful varsity style humour back to the box, and with it a cutting edge which had been missing for far too long. Rowan Atkinson, though not previously a complete unknown, emerged from the series as the most impressive new television comedian for years.

The Innes Book of Records was sometimes lyrical, often idiosyncratic to the point of dottiness, and in general terms indefinable. It relied on the talents and odd notions of singer/composer Neil Innes and their projection by producer Ian Keill, one of the most original minds in British television. Occasionally their skits simply didn't work, but often their freshness and their exploitation of television's technical complexities made them the most interesting moments of the viewing week.

In *Turtle's Progress* writer Edmund Ward gave ATV and all of us a truly funny criminal community—often previously attempted but very rarely achieved. *Agony*, written for LWT by Len Richmond and Anna Raeburn, brought East Coast Jewish humour into the *home market*, *offered* a lot of laughs every week, and gave another opportunity to Maureen Lipman to prove that she is indeed the funniest of our young comediennes.

It is significant that the two *most impressive single plays of* the year both set out to re-create actual events: *On Giant's Shoulders* by Marjorie Wallace and Michael Robson told the amazing and moving story of Thalidomide boy Terry Wiles, using the shockingly deformed yet utterly charming Wiles to play himself, and Judi Dench and Bryan Pringle to play his foster parents. Watching the work was both a devastating and an uplifting experience.

Gossip From The Forest was a powerfully atmospheric account of the negotiations in a railway carriage in the Forest of Compiègne which led to the signing of the armistice in 1918. It was adapted and directed by Brian Gibson and since Gibson also directed Dennis Potter's extraordinary play *Blue Remembered Hills* he must qualify as the year's most outstanding director.

Blue Remembered Hills used the startling idea of casting adults as a band of children playing for a day in the Forest of Dean during World War II, and although its melodramatic end spoiled it for me, there was undeniably great strength in the central idea and some highly accurate observation in the course of the play.

Alan Bennett's six plays for LWT were a mixed lot, but the series of trailers which Bennett himself delivered straight to camera ought really to win any comedy awards that are going.

If one were obliged to pick out of the year's top programmes from each of the broad categories used in this column, one remarkable point would emerge: *Testament Of Youth*, *Life On Earth*, *Not The Nine O'Clock News* and *On Giant's Shoulders* were all BBC2 productions.

COMPANY NOTICES

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS—UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the Standard Conditions relating to the payment of the dividends declared by each of the undermentioned companies on 11 December 1979, payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of R1.837140 South African currency to £1 United Kingdom currency, this being the first available rae of exchange for remittances between the Republic of South Africa and the United Kingdom on 31 December 1979 as advised by the companies' South African bankers.

The United Kingdom currency equivalents of the dividends are therefore as follows:—

Name of Company (Each incorporated in the Republic of South Africa)	Dividend No.	Amount per share
Interim Dividends		
Doornfontein Gold Mining Company Limited	46	10.88649p
Kloof Gold Mining Company Limited	20	43.54595p
Libanon Gold Mining Company Limited	58	27.21622p
Venterspost Gold Mining Company Limited	79	35.38108p
West Driefontein Gold Mining Company Limited	54	163.29730p
Final Dividends		
East Driefontein Gold Mining Company Limited	13	65.31892p
Vlakfontein Gold Mining Company Limited	71	10.88649p

London Office:
49 Moorgate, London EC2R 6BQ.

United Kingdom Registrar:
Close Registrars Limited,
803 High Road, Leyton, London E10 7AA.

By order of the boards,
C. E. WENNER,
London Secretary.

31 December 1979.

COMPANY ANNOUNCEMENT

SOUTHERN KINTA CONSOLIDATED (M) BERHAD

(Incorporated in Malaysia)

Notice to Shareholders

YOUR BOARD is pleased to announce that an agreement has been concluded between Southern Kinta Consolidated Limited (SKCL), the company's subsidiary, and Kampong Lanjut Tin Dredging Berhad (KLTDB) whereby SKCL would hire a dredge for a period of 14 years from KLTDB to work part of SKCL's land at Bernam Section.

It is planned that this dredge would commence mining operations at Bernam towards the end of 1981.

With the addition of a third dredge at Bernam it is expected that the annual group production would be maintained at about the current year's level despite the declining production at Takuapa Section in Thailand.

By Order of the Board
ZULKIFLI TALIB
Secretary

Kuala Lumpur
28th December 1979

THE BRITISH POLIO FELLOWSHIP

Bell Close, West End Road, Ruislip, Middlesex HA4 6LP

(The Infantile Paralysis Fellowship, registered as a charity in accordance with the National Assistance Act, 1948)

As required by the Regulations governing Permits, the Fellowship announces the results of its Flag Days and House-to-House Collections in July and October 1979, as follows:—

Metropolitan Police Area:	
Income	13,483.72
Expenses	516.45
Net	£12,967.27
City of London Police Area:	
Income	4,040.65
Expenses	197.30
Net	£3,843.35

The British Polio Fellowship records its earnest gratitude to the general public for their generous support and its appreciation to all collectors who made this voluntary effort possible.

LEUMI INTERNATIONAL INVESTMENTS N.V.

US$75,000,000 GUARANTEED FLOATING RATE NOTES 1986 EXTENDABLE AT THE HOLDER'S OPTION TO 1989

The interest rate applicable to the above Notes in respect of the six-month period commencing 27 December 1979 has been fixed at 14.9375% per annum.

The interest amounting to 75.93 per bond of US$1,000 nominal and to 759.32 per bond of US$10,000 nominal and to 7593.23 per bond of US$100,000 nominal will be paid on Friday, 27th June 1980 against presentation of Coupon No. 2.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

CREDIT LYONNAIS

LOAN OF US$30,000,000 FLOATING RATES 1977-1983

Bondholders of this loan are hereby informed that the rate applicable for the 6 month interest period starting December 24, 1979 and ending June 23, 1980 has been fixed at 14 11/16%.

Coupon No. 6 will be payable as from June 24, 1980 at the price of US$74.55 equivalent to a 14 11/16% worked out on the basis of 183/360th covering the period from December 24, 1979 to June 23, 1980 inclusive.

The Fiscal Agent
CREDIT LYONNAIS
LUXEMBOURG

THE BRITISH STEAM SPECIALTIES GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Ordinary Share Transfer Books will be closed from 5th January 1980 to 18th January 1980, both dates inclusive.

By Order of the Board,
R. D. THOMPSON, Secretary.

Fleet House,
Lee Circle,
Leicester.
December 24, 1979.

LEGAL NOTICES

No. 003743 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Group 'A'. In the Matter of ARMOUR TRUST LIMITED and in the Matter of the Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 23rd November 1979 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the Share Premium Account of the above-mentioned Company from £3,084,207 to £413,178.

AND Notice is further given that the said Petition is directed to be heard before the Honourable Mr. Justice Dillon at the Royal Courts of Justice, Strand, London, WC2 on Monday the 21st day of January 1980.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 2nd day of January 1980.
CLIFFORD-TURNER,
Blackfriars House,
19, New Bridge Street,
London EC4V 6BY.

No. 003775 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Group 'A'. In the Matter of TELESURE HOLDINGS LIMITED and in the Matter of the Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition was on the 26th November 1979 presented to Her Majesty's High Court of Justice for the confirmation of the cancellation of the Share Premium Account of the above-named Company.

And Notice is further given that the said Petition is directed to be heard before the Honourable Mr. Justice Dillon at the Royal Courts of Justice, Strand, London, WC2 on Monday, the 21st day of January, 1980.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 2nd day of January 1980.
CLIFFORD-TURNER,
Blackfriars House,
19, New Bridge Street,
London EC4V 6BY.

PUBLIC NOTICES

METROPOLITAN BOROUGH OF SEFTON Variable Rate Redeemable Stock 1983. The Council of the Metropolitan Borough of Sefton announces that the next half yearly payment of interest due on 30th June 1980 on the above Stock will be at the rate of £6.59375 (less income tax) per £100 stock.

HAMPSHIRE C.C. Issued 28 December, 1979 £10.m Bills due 28 January at 15 41/64%. Applications £40m. Total outstanding £42.0m.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000
Wednesday January 2 1980

The future of the Community

THE European Community goes into the 1980s with a number of major unsolved problems and considerable uncertainty about its future in an uncertain world. The beginnings of decades are no more than symbolic milestones. But the next 10 years will see major changes in the course of West European integration. They could even be decisive for the success or failure of the great experiment that began with the foundation of the original Six in the 1950s.

Coherent

The 1960s were without doubt the Community's most successful years. General de Gaulle may have delayed, perhaps fatally, the Six's move to political integration. But he did not destroy all trace of a coherent philosophy among the member states. They knew, more or less, where they were going. In this they were guided by a Rome Treaty that laid down precise schedules for advance, and spurred on their way by what now looks like astonishing economic prosperity. The idealism of the 1950s lingered on.

In the 1970s, under the impact of British entry and straitened economic circumstances the Community became more pragmatic. The emphasis shifted to finding short-term solutions to unforeseen problems and visionary leadership was lacking. With most of the Rome Treaty's objectives achieved, there was no longer a precise timetable for further integration. Efforts to provide one, first through the step-by-step approach to economic and monetary union, and then through the rather vague aim of Europe Union by 1980, foundered almost as soon as they were conceived. In the end, the Community survived, even if it marked time.

UK's role

The problems facing the Community on the threshold of the 1980s are bound to bring further changes. First among them is the future role of the UK in European integration, if Mrs. Thatcher's demands for a radical reduction in the British budget contribution are not met in a way that is acceptable to domestic public opinion. If they are not, pressures could be unleashed in Britain that could ultimately lead to the country's withdrawal and a search for a new relationship. There is a whiff of compromise in the air. For the sake of the Community it is to be hoped that a solution can be speedily found and the ill-feeling which has been generated forgotten.

Even if that happens, the Community will not long be able to avoid the next pressing problem—the financial, agricultural and political crisis that it will face when, some time in 1980 or early in 1981, there is no longer enough money in the Brussels coffers. The crisis could be salutary—if it leads to a less wasteful common agricultural policy and better distribution of the Community's financial resources. But it will not be easy to find an answer, and the risk of serious friction (particularly between Britain and France) will be great. The CAP may be seriously defective, but it remains, particularly—not only in the eyes of France, one of the cornerstones of the Community.

The search for a solution will be complicated by the imminent arrival of three new members—Greece, Portugal and Spain, all of which will bring into the Community relatively backward Mediterranean agricultures and new demands for money from Brussels. Britain will welcome their arrival on political grounds—in the tacit hope that the federalist ideal will finally sink without trace in a 12-nation Community. With Greek membership now assured, however, Paris is showing signs of backtracking on the 1983 target for Spanish entry, for fear of the agricultural and political disruptions it will cause in France.

Leadership

Apart from the economic, financial and political problems posed by the new applicants, they also threaten to cause grave institutional (and linguistic) difficulties, which the Nine are showing no sign so far of tackling seriously. A recent report on the institutions by the so-called Three Wise Men, intended to open the debate on this issue, looks like being quietly buried. But it is clear that institutions originally designed for six will be overburdened by 12, and if nobody else makes a fuss, the new directly-elected European Parliament is well placed to do so. It has already provoked a head-on budgetary clash with member Governments. Its continuing attempts to gain real influence will be one of the most significant new developments in the Community in the coming years. So long as a leadership vacuum exists at the top—and European summits concentrate on short-term problems rather than looking further ahead—the Parliament could well find itself increasingly able to influence the Community's overall direction. That would be no bad thing.

But it is not all certain that the Community will pull itself together in the 1980s. Its past record of responding to challenges is not good. The next 10 years will be difficult for Europe and the world. If the Community fails to find unity, we may be looking at a very different, and weaker Europe in 1990.

The invasion of Afghanistan

A blow to detente

By JUREK MARTIN, U.S. Editor

THERE was an almost aggrieved tone in President Carter's voice as, in a New Year's eve television interview, he dismissed as spurious the justification President Brezhnev had sent him over the "hot line" for the Soviet invasion of Afghanistan. "This action" he remarked rather sadly, "has made a more dramatic change in my own opinion of what the Soviets' ultimate goals are than anything they've done in the previous time I've been in office."

Just 24 hours earlier, Mr. Carter's National Security Adviser Dr. Zbigniew Brzezinski, was attempting to put a more philosophical, longer-term gloss on this latest development. Rather belying his reputation as a hardliner towards Moscow he had argued that over the long haul relations between the two superpowers would continue to be characterised by a mixture of competition and co-operation and that it would be a mistake to become "so mesmerised" by particular instances, such as Afghanistan, that the whole concept of detente be declared prematurely dead. The Strategic Arms Limitation Agreement, he went on with what now sounds like unrealistic optimism, should be viewed on its own intrinsic merits and accordingly be ratified by the U.S. Senate.

This, of course, is a familiar argument from the Carter Administration and one whose longer term validity still has many adherents in America. From an immediate practical standpoint, as the U.S. seeks to frame appropriate responses to the most naked example of Russian extra-territorial aggression since the invasion of Czechoslovakia in 1968, it is hard to see anything other than frigidity between Washington and Moscow. In such an atmosphere, approval of the controversial SALT Treaty would be nothing more than a major miracle.

The great unanswered question in Washington is whether the invasion of Afghanistan was forced on Moscow, or whether it constitutes a fundamental change in Soviet strategic policy. It is clear that the previous "client" regime in Kabul was in deep trouble and nobody disputes the fact that Moscow has good reason to fear that a thriving, partly Moslem insurgency in Afghanistan could have considerable implications for the Soviet Union's own substantially Moslem southern provinces. Events in Iran, it is argued, have had a cautionary message for the Soviet Union that Afghanistan has merely underlined.

Nor would the U.S. be displeased if the Soviet Union found itself bogged down, Vietnam-style, in the high plateau and mountains of Afghanistan. Comparisons between the two situations are a little facile: the Afghan rebels cannot expect the secure supply lines and logistical support through Pakistan that North Vietnam enjoyed and there is plenty of evidence that the rag-tag Afghan insurgents possess nothing like the same calibre and dedication as the Vietcong.

But restoring order to Afghanistan could be a lengthy and difficult process, particularly since the Afghan army in its present state of demoralisation and factionalism, cannot be expected to bear the brunt of military operations. The Soviet's Union's image in the Third World in general and the near east region in particular is unlikely to be enhanced by the spectacle of its armed forces ruthlessly suppressing an indigenous revolt.

Indeed, the U.S. is clearly hoping that Afghanistan, as a deus ex machina, may help to resolve America's own current bitter confrontation with Iran. Dr. Brezezinski has already publicly spoken of the "Kabul first, Tehran next" process with an eye on influencing the revolutionary régime in Tehran. It is at least conceivable that Mr. Kurt Waldheim, the UN Secretary-General, will find a more receptive audience on his current mission to Iran than he would have had a week ago—though it has to be said that optimism that his negotiations will result in the release of the hostages is not high.

It would, however, be an entirely different matter if the Soviet Union were to use a secure base in Afghanistan to redeem its historic goal of obtaining a warm water port on the Indian Ocean. The delicate strategic balance of the whole area, rendered unstable as it is by the revolution in Iran and the spread of fundamentalist Islamic political power, would be left in tatters and the Western World's oil lifeline from the Middle East in permanent danger of being choked off.

It was clearly with this threat in mind that the U.S. has publicly reaffirmed its 20-year-old commitment to protect the territorial integrity of Pakistan, with force if necessary, and to try to find ways round the legislative embargo on military and economic assistance to President Zia-ul Haq's Government. But it is agreed in Washington that this is a high-risk policy. It is certain to inflame passions in India, which has not forgotten President Nixon's famed "tilt" to Pakistan earlier in the 1970s, and which, once its own elections are out of the way, may in turn look more favourably on the blandishments of Moscow.

But the commitment to Pakistan, in spite of the stormy nature of relations with the U.S. over the last two years, is also indicative of what is described here as the end of the "Vietnam syndrome" in U.S. foreign policy. President Carter has been regularly assailed for not "standing up" to Soviet and Cuban activities around the globe—in Africa, Ethiopia, the Yemen and so forth—and his measured responses have been interpreted as evidence of American weakness deriving from its experience in Vietnam. At a very basic level, it is charged that the inability to secure the release of the diplomatic hostages in Tehran after two long months and the willingness of the Soviet Union to invade Afghanistan in spite of U.S. warnings of unspecified consequences represent the nadir of American global influence and power.

Yet there has been a substantial shift in the policies of the Carter Administration over the last year. Outright bellicosity remains out of style—and public approval of the President's restraint so far in handling the Iran crisis demonstrates that the American public has no wish to don once again the mantle of the global policeman. But, in several key areas, the American strategic position has been strengthened—through the enhancement of both national and NATO military capability, through the forging of strong ties with the People's Republic of China, and, no matter how tenuously, with U.S. association with the peace process in the Middle East on at least two occasions in the last six months. This more diffuse approach has been backed with practical action—in the military shipments granted to Morocco and, via Saudi Arabia, to the non-Marxist forces in the Yemen.

A cornerstone of President Carter's planned increase in defence spending is the creation of the so-called "rapid deployment force"—a highly mobile unit capable of protecting threatened U.S. and Western interests around the world. The definition of what constitutes a "vital" interest remains somewhat fluid, but it is not without interest that several of the President's political rivals have come up with variations on the same military theme. In the meantime, the U.S. has been sounding out friendly governments in the Middle East and elsewhere in order to obtain the use of bases to support such operations.

It is now clear that foreign policy will, to a much greater extent than seemed probable a few months ago, exert substantial influence on this year's presidential elections. Although economic problems will sooner or later reassert themselves in the public's eye, the international scene, because of the Ayatollah Khomeini, has so revived President Carter's domestic standing that the safe political bet of last summer—that he would be a one-term President—is now very suspect. Moreover, in an election year, politicians like to preach strength to their audiences, preferably in the shape of anti-Soviet harangues.

This very mood, however, which combines both the traditional and the topical (in the shape of Afghanistan) contains plenty of pitfalls for the President. Should he, unilaterally, ask the Senate to drop consideration of the SALT treaty until after the elections, or should he let the Senate kill it of its own volition? SALT remains an important symbol of the value of detente — as well as having great practical ramifications for both the superpowers and the Western alliance.

This President, perhaps more than any other in recent history, is not one who wants to connive at the restoration of the cold war, no matter how politically tempting such a course would be. Yet, as his television interview showed, he too is now doubting a previous conviction that a certain joint interest did exist between Washington and Moscow.

For the Russians, the lesser evil

By DAVID DODWELL, in London

NOT SINCE Genghis Khan in the early 13th century has any outside power succeeded in subduing Afghanistan. The Russians have made numerous attempts to do so over the past 140 years, but the invasion of the country by over 40,000 troops represents the most determined attempt this century to subdue the country.

The scale and timing of the invasion shows not only the relentless consistency of Soviet foreign policy, but also the considerable importance attached to Afghanistan by Russian leaders from Tsarist times to the present day.

The boundaries of Afghanistan were established early in the 19th century by agreement between imperial Britain and imperial Russia. Both sought to lessen power rivalry in the region by creating Afghanistan as a buffer state.

Ever since, the Russians have sought to increase their influence. In 1837, Russia backed the Shah of Persia in a seige of Herat. Talks between the British and Afghan leaders about how to tackle this threat broke down, leading directly to Britain's first Afghan War. Similarly, the Second Afghan War in 1878 was declared after the Afghan leadership refused to receive a British mission at a time when a Russian mission was visiting the capital, Kabul.

Soviet Russia was the first country to grant diplomatic relations to the newly formed state of Afghanistan in 1919, and in 1921 an Afghan-Russian Friendship Treaty was signed. This involved the Soviets setting up an air school in Kabul, providing aircraft, 5,000 rifles and a factory for making smokeless gunpowder. The Afghans received 1m gold roubles, and 25 Soviet advisers arrived, some of them to build Kabul's first radio station.

Relations improved dramatically in 1955, following a visit to Kabul by Khrushchev and Bulganin. Aid worth $100m was immediately agreed, and an arms deal was signed within nine months. Since then, the Soviet Union has been the primary motive power behind economic development in Afghanistan, with aid from other countries playing only a marginal part in development. An aid race between the U.S. and Russia took place during the 1960s, but this was short-lived and American aid never rose to more than a third of Soviet aid.

The reasons for Soviet obsession to control this poor and barren country with its 15m to 20m people are numerous, but they have had little to do with its economic value. Afghanistan has few natural resources although small quantities of natural gas and oil are exported to the Soviet Union. By contrast, its stategic importance is paramount. As well as controlling East-West land routes, Afghanistan takes the Soviets much closer to a warm water port, and gives them a foothold next to the increasingly important Gulf oil states.

It also strengthens the ring of allied states around China, and it squeezes Pakistan, caught between Afghanistan to the west and India

It is likely that the Soviet invasion is more the result of opportunism than organised expansionism. There are numerous indications that Soviet advisers in Kabul had become increasingly alarmed at internal dovelopments during recent months, and it is likely that Soviet combat troops went in to prevent further deterioration.

It has never been certain how active Russia was in the overthrow of Mohammed Daud, the President of Afghanistan until the Communist coup lead by Mohammed Nur Taraki in April, 1978. Daud had maintained excellent relations with Miscow right up until his overthrow. Nevertheless, Moscow gave immediate recognition to the Taraki regime and provided aid and advisors on a large scale. Things apparently started to go wrong early in 1979, at the same time as Hafizullah Amin was emerging as the Afghan Government's strong man.

The Russians evidently felt that Amin was trying to press ahead with reforms at an unrealistically rapid rate. Amin's revolutionary zeal was alienating the conservatie, deeply religious tribal fighters who live in the high and barren mountain country that makes up most of Afghanistan.

It is now believed that when Taraki passed through Moscow on his way home from the non-aligned summtt in Havana, he reached an agreement with his Soviet patrons on the rehabilitation of a number of pro-Moscow politicians, a slow-down of political reforms coupled with a more conciliatory attitude towards Islam and traditional family values and, most important, the replacement of Hafizullah Amin.

Three days later, Taraki was dead after a bloody coup typical of Afghanistan's violent and feudal history. Amin was President, and Soviet plans were in disarray. Amin's relations with Moscow never improved.

When the Russians decided to move, they were probably convinced that a wholesale military occupation was the lesser of two options facing them. The rebel forces, rugged mountain guerrillas, were proving increasingly effective against the Afghan army.

Most worrying of all, Amin's constant purges in the army leadership were undermining morale.

The Russians probably believed that Amin would soon be overthrown unless they took decisive action. There were good reasons for moving now if it was necessary to move at all: U.S. influence in the region following the fall of the Shah is at a low ebb. Secondly, two of Afghanistan's neighbours, Pakistan and Iran, are more unstable at present than for many years. Scope for retaliation is small. The scene was perfectly set for Soviet opportunism.

Having taken matters into its own hands in Afghanistan, it must now be seen whether or not the Russians have bitten off more than they can chew. Afghanistan may prove to be a graveyard for Russian military hopes just as it was for the British a century ago.

Accounting for State assets

AS THE dispute over wages in British Steel makes very clear, the present Government attaches the greatest practical importance to the profit and loss account of the publicly owned industries. It should follow that it is vitally important to make sure that these figures are based on a realistic and consistent accounting practices. In fact, of course, the accounts published by the nationalised industries, though admirably full and explicit, have often been criticised for inconsistencies between industries and between one year and another. Now the Government has taken a small step to increase the confusion.

The announcement just before the Christmas recess that nationalised industries would be allowed to dispense with the gearing adjustment in arriving at their pre-tax current cost profits (or losses) is not o nthe face of it a major question. The total adjustment available to all the principal industries as calculated by Phillips and Drew in a recent report for the Consumers' Association, is £550m, an offset against £1,450m of net interest payments. In no single case would the adjustment transform a loss into a profit, though in one or two cases the current cost loss, after interest, would appear worryingly large—not only British Steel and British Rail, as might be expected, but the Electricity Council and, in relation to its turnover, the National Bus Company.

However, these "loss" figures, if they come to be published (and the National Coal Board has already announced that it finds the Government's decision unacceptable) will be meaningless. If a measure of industrial performance is required, it is the return before interest which is paid which is relevant; interest payments to the Government, the banks and other lenders are simply the way in which the surplus earned is distributed. The post-interest figure is affected by past decisions on capital structure and write-offs, the timing of past borrowings, and the age of capital. The figures would not be fairly comparable between nationalised industries, and, what is just as important, would not be comparable with current cost figures from the private sector. Since in other respects the nationalised industries have started to make notable progress towards realistic inflation accounting, which might be taken as a model in the private sector, this is doubly unfortunate.

It has been argued that since the nationalised industries have no equity capital, a gearing adjustment is not appropriate for them. This is misleading. In fact, under current cost balance sheet principles, it can be seen that the industries, with the exception of the steel industry, have financed a fair proportion of their current assets by accumulated past earnings—a proportion ranging from 55 per cent in British Gas and 51 per cent for the postal side of the Post Office—quite comparable to private sector gearing—25-40 per cent for most of the rest. Only the Coal Board falls below the 10 per cent mark. In any case the gearing adjustment, which represents the gain to borrowers and the loss to lenders from monetary debt in a period of inflation, has been recognised as a necessity if manufacturing, trading and financial companies are to be able to report their performance on a consistent basis.

While it is true that the nationalised industries can never be fully comparable to the private sector, in some cases because of their monopoly position, in others because of the social tasks required of them, there is no reason why the accounting rules should differ.

MEN AND MATTERS

Joining the club of also-rans

Latest figures issued by the World Bank make sobering reading for those still obsessed by a map of the world with large red patches on it. Britain, according to the World Bank Atlas, is firmly among the third division of nations as far as per capita income is concerned, rubbing shoulders with Spain, Puerto Rico, the Soviet Union, Hong Kong, and Yugoslavia.

The figures measure GNP in 1977, when the United Arab Emirates still retained (and apparently still retains) its position as the richest nation in the world, with a per capita income of US$14,800. This looks even more respectable when one reflects that a 1977 dollar was worth rather more than a 1980 one. Not far behind is Kuwait, with an average income of $12,690, Qatar with $11,370, and Switzerland with $11,080. The remainder of the top ten include Sweden and Denmark, with about $9,300 each, and the U.S. with $8,750; below them are West Germany, Norway and Canada.

France, Australia, Austria, Saudi Arbaia, the Netherlands, and Japan are in division two with a per capita income of at least $5,000. Britaia was down among the $2,000-$4,999 also-rans.

According to the World Bank, nothing much has changed in the past two years. The richest 15 per cent of the world's population continues to enjoy 60 per cent of the world's income and the poorest 20 per cent to make do with less than 2 per cent.

In gear again

John Bentley, the asset-stripper who bowed out of the City scene with immaculate timing seven years ago (profit: £2m), has recently figured prominently in the more tiresome gossip columns rather than the business pages. An old Harrovian who abandoned formal education at 17, he is marking New Year with a return to the corporate world.

Age may not have withered him much, but he is keeping an uncharacteristically low profile. Early last year he took a small stake in an unlisted company called John Baker (Insulation); he is now set to become chairman of a small quoted Northampton leather company, the Tebbitt Group, which has made losses in most of the past few years.

In a deal worth £220,000 John Baker has bought 2m shares in Tebbitt — just over a fifth of the shares — from Tiger Securities, and Bentley's move to the Tebbitt chair is being proposed at the next board meeting. For a man who once averred that, left to it, he and Jim Slater could "double the GNP in five years," Bentley's return is distinctly in the slow lane.

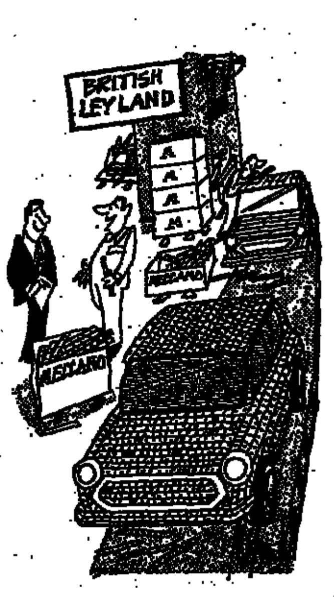
Mistaken identity

Eldon Griffiths MP, tireless lobbyist on behalf of the police, was nonetheless surprised to find his efforts rewarded by letters asking him how to join the Police Fan Club. Mostly from schoolgirls, the letters were all very polite, and often included a stamped, addressed envelope.

To Griffith's chagrin, it emerged that his youthful correspondents had heard him on the radio, and imagined he was in some way connected with The Police, a pop group.

Space race

The West has arrived in China with a vengeance. Peking's main thoroughfare, Chang An Boulevard, is being steadily defaced with ugly billboards advertising Japanese radios and Chinese miracle cures. Mao would no doubt disapprove too of the 10-minute advertising spots which, from yesterday, interrupt State radio broadcasts seven times a day.



"We've found an alternative supply"

Once scorned in the People's Republic as a capitalist cancer, advertising is now breaking out all over the place. In the past week alone a dozen or so new billboards have gone up on Chang An; similar hoardings are in place at Peking railway station, the Summer Palace, and the Zoo. Even the Communist Party newspaper, the People's Daily, harbinger of solemn tidings, has not turned up its nose at a little extra revenue—it is increasing its size from six to eight pages to allow more space for advertising. Other papers have not been slow to cash in on such previously scorned practices. Mercedes Benz, for example, frequently takes a full page in the Peking Daily to advertise its trucks, exposure which costs about £600 a time. The People's Daily charges advertisers more like £800 for a half page. Radio works out at £330 a minute, billboards £6,000 to £9,000 a year.

If the Chinese have learned from the West how to charge, the advertising style still lacks the Madison Avenue touch. The general method is to regale the consumer with plenty of information. For instance, the China National Native Produce and Animal By-products Import and Export Corporation apparently does a nice line in hog bristle brushes which, one is assured, exhibit "good workmanship," "nice design," and come in many shapes and sizes. Particular attention is drawn to the bleached Hankou hog bristle toothbrushes endowed with "proper stiffness."

Admittedly, some Chinese products might test the skills of the most imaginative adman, Western or Chinese: "Typical" sewing machines, "White Elephant" batteries and "White Cat" detergent. The absence of copyright laws means that the "Great Wall" tag has been attached to everything from carpets to tinned Peking duck; "Great Leap Forward" is another favourite brand name.

Knotty solution

The spirit of Dunkirk may be flagging a little these days but at least the National Bus Company is helding to keep it alive. A coach heading to Victoria Station from Bristol the other day broke down at traffic lights coming into London. The driver walked down the aisle, opened the hatch, and located the problem. He then attached a shoelace to some part of the machinery down below and demanded if there were any "gentlemen drivers" on board.

Silence greeted this inquiry until he explained that without some help the passengers would not, as they hoped, be arriving at Victoria but would have to make do with Chiswick. Eventualy someone obliged by holding the shoelace for the remaining few miles. The coach arrived, a few minutes early.

Sha.p salesman

Sign on a junk stall in Lambeth: "Prepare for that January electricity bill — invest in an old cut-throat razor."

A marriage of convenience: business and the arts

By ANTONY THORNCROFT, Arts Editor

WITHIN THE next few weeks the Arts Council will know the worst—just how much money it can expect from the Government to support its 1,200 clients in 1980-81. A year ago the news had been good. Even the naturally dour director-general of the Council, Sir Roy Shaw, expressed satisfaction with a 25 per cent rise in the annual grant to more than £61m. But that was during the run up to the general election and before the return of the Conservative Government pledged to reduce public expenditure. The arts had 2 per cent lopped off their budget almost immediately following the Conservative victory, with ominous rumblings of bigger cuts to come.

Now the mood is more optimistic. The arts have a strong champion in the Cabinet in Mr. Norman St. John-Stevas, Minister for the Arts, and his deep commitment to them, reinforced by public pledges given when in opposition, seems to have ensured that the arts will not suffer as severely as others dependent on Government money in 1980.

Indeed, the Arts Council was thrown into some confusion in November when Mr. St. John-Stevas let it be known that total arts expenditure in 1980-81, covering museums, art galleries, performing arts, the lot, would maintain the same value as in the current year, when the arts as a whole received £140m. There was an additional hint that the Arts Council in particular could expect extra money, although perhaps not quite enough to cover inflation, and that the joker in the pack, the £6.2m contribution to the new National Heritage Fund which must be found from the total arts budget, would be squeezed from capital expenditure and museums rather than from the performing arts. So the Arts Council has spent recent weeks in the unsettling position of receiving private intimations of reduced money on the one hand and public statements of business as usual on the other.

But even if the Arts Council learns this month that its grant is a few million pounds higher the sum is unlikely to match the inflation in the arts, which is always much greater than general inflation. In addition, Mr. St. John-Stevas, who sees the Arts Council as the main prop of the arts in the UK, continually speaks of the need to widen the base of its financial support, bringing in private patrons and corporate backers as a balance to Government aid. The implication is that the steady growth in influence and importance of the Arts Council in recent years has now run its course, at least for the time being.

Local cuts

A bigger and immediate threat to the arts comes not so much from a reduction in direct Government funding but from the cutbacks by local authorities which, with the Arts Council, keep the arts alive in the provinces. In the next few months arts bodies throughout the country are likely to discover that their local councils are reducing, or withdrawing, aid, mainly because they are being forced by the Government to make economies, but also because Conservative-dominated councils are not so committed to keeping in being theatrical groups or community arts ventures which are sometimes of an avowedly Left-wing bias.

The main alternative to Government money for the arts is help from business. Mr. St. John-Stevas would like to see the private patron, historically the midwife to many artistic masterpieces, resume an important role, but there are few signs that reductions in personal taxation for the rich has encouraged the dispersal of money to the arts. It is companies that are taking an increasing interest in underwriting arts organisations, encouraged by real tax advantages that already exist. There are no accurate figures on corporate support for the arts but it could amount to more than £4m a year and has certainly doubled in the last three years. Organisations such as the Association for Business Sponsorship of the Arts, with about 70 members and specialist consultancies like Kellaway are arranging marriages between arts organisations and companies. Not all joint ventures are successful, mainly because the partners often have quite different aims. The arts organisation just wants money to stay alive; the company is sometimes just jumping on a cheap publicity bandwagon, influenced by the feeling that with sports sponsorship both expensive and increasingly counter-productive the arts are likely to be a better investment.

One problem with corporate sponsorship of the arts is the lack of imagination on the part of companies which prefer to help the safe, the established, and the respectable. Ofter the personal interest of the company chairman is the guiding factor, and underwriting a new production at Covent Garden or Glyndebourne with the opportunities for entertaining clients and contacts in gilded surroundings seems more appropriate than taking on a modern theatre group or presenting "new" music to a half-deserted concert hall. Not surprisingly, Covent Garden is the biggest beneficiary of business aid, but even so only 3 per cent of its revenue approaching £10m comes from companies. The Arts Council, which pays nearer £6m, gets justifiably niggled at the publicity given to supporters of new productions there when its mainstay contribution, the largest to any client, is rather taken for granted, but since Covent Garden's financial difficulties are marginal, the £40,000 or so from the Imperial Group for the re-furbished Swan Lake last month make all the difference. These days the Royal Opera House would be reluctant to stage a new production without the co-operation of a sponsor, or a cost-sharing exercise with a foreign opera company.

The success of Covent Garden in selling itself to business, both in attracting help on productions, selling seats to companies, and drawing in cash towards its redevelopment appeal of £7.8m — already over half way to its target — has encouraged its competitor, English National Opera at the Coliseum to experiment with ways of boosting its revenue. In the past the ENO has not been very effective at selling itself to sponsors, perhaps because it lacks the international reputation of Covent Garden, but it is making up for past caution with present enterprise. It has called in Danny Newman, at a cost of around £20,000, to sort out its financial problems.

Mr. Newman is an American who has made a success of advising arts organisations on how to make more use of subscription revenue. One constant complaint of companies keen to help the arts is the lack of commercial acumen shown by arts people, who, they claim, make little attempt to keep lists of patrons, under-utilise their facilities and have poor and unimaginative publicity. Mr. Newman uses sophisticated marketing methods to drum up a loyal audience for a theatre or opera company. His record in the U.S. is impressive.

At the ENO the aim is to boost the current attendance figure of around three-quarters of theatre capacity by at least 10 and perhaps 20 per cent. This will more than pay Mr. Newman's fee and that of Arts Marketing, the organisation working with him in the UK, and the extra £15,000 that his more commercial publicity methods will demand. In addition it will provide the ENO with a guaranteed income, enabling it to plan more enterprising productions with the confidence of knowing it already has a committed audience. But subscription schemes contain an added attraction. If an arts group is seen to be more enterprising it will be in a stronger position to draw in commercial sponsors. Perhaps a company could underwrite the cost of an audience-building enterprise: if it was very successful no business cash would be handed over, although in practice when a corporate sponsor offers a guarantee to an arts organisation it usually ends up giving the money even if the specific exercise breaks even.

It is estimated that £20m worth of seats remain unsold each year in theatres, opera houses and concert halls in the UK. By selling themselves more successfully to the public arts bodies could solve all their financial problems. There are, however, organisations like the National Theatre and the Royal Shakespeare Company which do achieve over 90 per cent capacity and still need money to maintain costly buildings or a particularly enterprising creative schedule. This is where companies could help. Until recently little corporate cash went into the theatre and when it did it was largely to prop up doomed productions that traditional theatrical angels wisely shunned. But helping the established national companies is another matter. Granada TV is filming six National Theatre productions over the next three years which will help the finances of the Arts Council's second biggest client, but the theatre still offers tremendous possibilities. On Broadway major film companies are now financing new productions, particularly musicals, with an eye to acquiring the film rights more economically: television, record and even the British film companies might consider a similar approach.

With the arts needing every available penny it is invidious to draw up a list of the most needy. The experimental in music, art and theatre is probably the most deserving, but lacks the big audience that companies expect for their aid. Opera, having to compete with better funded overseas opera houses for the international stars, is the most expensive and reaches that elusive minority of opinion formers but it absorbs considerable sums for little tangible result. Local arts are a worthwhile outlet in that a company's workforce can enjoy the results of the investment, and business has been quick to support local orchestras, theatre companies and artists. Fine art, assisting contemporary artists and building up a company art collection while improving the work environment is another approach now finding favour.

The competitive element in the arts, such as literature prizes on the lines of the Booker and the Whitbread, could well be extended to other areas, and there is tremendous scope in encouraging young artists, young musicians, young actors. Now that television is more prepared to give arts sponsors an acknowledgment the promotional aspects of helping the arts are becoming appreciated. But any company must be clear about what it wants in return for its aid. If it wants publicity, to sell more products or create a better image, this will determine the type of artistic venture it will support. If it is assuming the role of latter day patron, attempting to give back to the community something in return for the contribution it gets from its workforce or its customers, a quite different approach is called for.

A scene from the Welsh National Opera production of "Ernani" recently presented at the Dominion Theatre in London thanks to the sponsorship of Amoco which is supporting the WNO with £250,000 over the next five years.

Letters to the Editor

Anti-nuclear attitudes

From the Director, Council for the Protection of Rural England

Sir,—Your sub-editor made a pardonable error when he headlined your report of the letter which the Council for the Protection of Rural England and Friends of the Earth have sent to the Environment Secretary: "Anti-nuclear groups give warning of action" (December 27).

The Friends of the Earth are indeed anti-nuclear but CPRE is not. We share the concern of many about the impact and safety of nuclear installations, but we have refrained from taking a pro- or anti-nuclear stance pending fuller discussion and clarification of the issue. The point of the letter to which your report referred was simply to say that we do not see how meaningful public inquiries into particular proposals can be held in the light of Government's announced intention to order ten nuclear power stations at the rate of one per annum from 1982 onwards.

Christopher Hall.
4, Hobart Place, SW1.

Child benefit scheme

From Mr. D. G. Lindsay

Sir,—The Child Benefit Scheme so beloved of Mr. Frank Field (Letters, December 19) has failed both low-income families, for whom the level of the benefit is inadequate, and middle-income families, who have been deprived of child tax allowances which, had they existed today, would have been of significantly greater value. The only families that have benefited have been those wealthy enough to make use of non-parental covenants in favour of their infant children, and so render themselves unaffected by the abolition of child tax alowances. Their children have been able to enjoy both the full adult allowance and child benefit.

Mr. Field can hardly expect a cost conscious Government to increase so wasteful a handout and I suggest, therefore, that he devote himself to devising a replacement less flawed than the present scheme, e.g. a taxable benefit; re-introduction of child tax allowances (without which there can be no horizontal equity in the tax system) and abolition of the personal allowance for minors.

D. G. Lindsay.
36, Orchard Combe, Whitchurch Hill, Reading, Berks.

The people who count

From Mr. T. H. Graves

Sir,—Let us declare that any firm which is able to pay its costs and provide a living wage for its workforce has a continuing and valued place in our society. Let us assure all such firms that we appreciate their efforts and prefer that condition to one in which we, the community, have to pay for the support of the unemployed.

All that is needed is that we recognise a tax as a tax. Employment based taxation, represented largely by PAYE, is a tax on employment, and is putting firms unnecessarily out of business. British Steel for example, is paying the Inland Revenue far more than any supposed loss.

Shall we let our fiscal resolution for 1980, be to redirect taxation towards those parts of the economy that are able to bear it? There are plenty enough of these.

T. H. Graves,
H/B Dawn Treader 9,
A. H. Williams Moorings, Queens Promenade, Portsmouth Road, Surbiton, Surrey.

Britain and the EMS

From Mr. R. W. Dean

Sir,—I read Mr. George Bunce's letter (December 12) with interest, particularly his comment on the inadmissibility of treating the agricultural sector differently from other sectors of the economy.

May I suggest this cuts both ways. On the one hand the existence of the green currency system ensures the misallocation of economic resources between community farmers; inefficient German farmers receive high prices and efficient UK farmers receive low prices.

The operation of MCAs adds insult to injury by subsidising imports into the UK to the detriment of not only our farmers but a significant section of food processors as well; notably in the pigmeat sector.

On the other hand, a devaluation of the green pound as recently agreed at Mr. Walker's request is highly visible in an economic and political sense, and is difficult to implement without upsetting at least part of the food processing sector.

While a devaluation may bring "instant relief" to farmers in many cases, to processors it represents an immediate increase in their costs. These cannot be recouped immediately in the market place but only over a period of time; meanwhile, they must be financed in the interim at current rates of interest.

I venture to suggest that a possible mitigation of the problem lies in the UK's full and prompt adherence to the European Monetary System under the following conditions.

The green pound should be devalued once-and-for-all to parity, with whatever central rate is thought appropriate for sterling; a similar situation exists for the Danish krone. In other words, the green pound would be abolished and the central rate for sterling substituted as the vehicle by which ECU-denominated prices are converted to UK currency.

Farmers and processors would thus start off from the same basis of discussion in their deliberations on the annual Brussels farm price review without the unseemly squabbling about the relative effects of the sledgehammer mechanism of a green pound devaluation.

The misallocation of resources caused by the existence of an unrepresentative exchange rate applicable only to agriculture would be moderated and the subsidisation of continental imports via the MCA mechanism ended.

With UK farmers satisfied that they would in future be receiving equal treatment on EEC prices and processors happy that farmers would no longer receive special devaluation-based treatment, the discussions at Brussels could revert, at least from the UK point of view, to the appropriate level of real resources to be funnelled in to agriculture by the Brussels price review.

In the case of nominal resources, particularly in terms of the erosion of UK farm incomes through inflation, I assume that EMS retains enough flexibility for periodic devaluations of sterling to allow the value of nominal resources in UK agriculture to be maintained.

The point is that when such devaluation takes place it takes place not just for farmers but for the entire community; thus, in terms of equality in the market place, farmers and processors — even consumers — will be in the same boat.

R. W. Dean.
83 Longland Drive, N20.

Real wages in Russia

From Mr. Colin Dauris

Sir,—The tangible gains in the Soviet Union under Stalin to which David Satter referred (December 21) are less likely to have impressed those living in Russia than apologists in the West.

By 1928 the real value of industrial wages was back at roughly its pre-war level. In 1940, after Stalin's reforms, however, the value was down to no more than half that of 1928. Not until about six years after Stalin's death was Kruschev able to announce that the level of real wages in 1940 had been doubled.

Once more industrial workers were as well off as they had been in the days of the Tsar.

Colin Dauris.
Goodalls, Middle Street, Nazeing, Essex.

Israel and the PLO

From Mr. Adam Kaye

Sir,—Unfortunately, the Hon. Dominic Asquith (December 20) gave a very selective quotation from the resolutions of the 1978 Arab Summit Conference at Baghdad, and an essentially misleading one at that.

Continuing from the end of the passage he quoted, the text ran as follows: "... and guaranteeing the inalienable rights of the Arab Palestinian people, and the setting up of their independent state on their national soil."

Both terms "inalienable rights" and "national soil" are understood by the PLO as, indeed by the entire Arab world, to mean the abolition of the State of Israel, or, as Mr. Khalid Al-Hassan put it, "the reunifying of all of Palestine."

The following passage from the resolutions of the same summit conference removes any shred of doubt that the PLO and their backers in the Arab world would not settle for a mere Israeli withdrawal from "Arab territories occupied in 1967, including Arab Jerusalem": "The conflict with the Zionist enemy goes beyond the struggle of the countries whose territories were occupied in 1967 as to involve the entire Arab nation in view of the military, political, economic and cultural danger which the Zionist enemy represented to the entire Arab nation and its fundamental nationalist interests, its civilisation and destiny."

Clearly, this does not indicate a readiness to compromise with Israel on any terms, and Mr. Al-Hassan's words, which were at one with the Palestinian National Covenant, echoed this sentiment.

Mr. Asquith accuses Israel of "seizure of Arab land in 1948." But this came about because the Arabs had rejected the United Nations Partition Plan and chose instead to settle the issue by armed conflict. Such extreme actions are never without equally extreme consequences.

If the tragic Israel-Arab conflict is ever to be settled peacefully, efforts and sacrifices would have to be made by all sides to the conflict. Thus, Israel is not absolved from a share in that responsibility. But Israel is not dedicated to the destruction of the Palestinians, or anybody for that matter. It seems to me a twisted kind of logic and morality which demand that Israel recognise an organisation which openly declares, in writing and speeches, that its central aim is the destruction of Israel.

Under these terms, Israel's recognition of the PLO would surely amount to recognising the legitimacy of her own annihilation.

Adam Kaye,
34, Elm Tree Road, NW8.

Reasons for BL's decline

From Mr. F. Maycock

Sir,—Mr. Bescoby (December 21) presumably did not write the headline for his letter and for that we must be thankful: A senior lecturer in industrial management would, one hopes, have a more rigorously researched set of arguments if he wanted to show "reasons for BL's decline."

Since January will see a major appeal by British Leyland dealers to wave the flag, buy British, save your neighbour's job, etc., it is worthwhile examining for a moment such a motive for purchase and a more accurate statement of BL's position.

First the "decline" of BL. To lose half one's market share is indeed a decline but was this a "marketing failure? In the period of 15 years Mr. Bescoby refers to, many dealers left BL because they could not get product not because the product would not sell. Businessmen who knew how to sell and service cars were naturally seized upon by importers to improve their own market penetration and very effectively they did it. During this period Ford Motor Company evolved a brilliant product and marketing strategy which has captured the major business user market segment—Ford also contribute significantly to the import figures.

Among many reasons for BL's reduced market share during the period of "decline" I cannot escape a deeply held conviction that some people—a significant number—deliberately decided not to buy BL products because they could not condone the constant interruption to production at the various plants —whatever the cause of such disruption.

It is now possible to sense that BL has been to the brink for the last time. There are now only two ways—up or out. Many people want BL to succeed. It will succeed if penetration of the market is lifted in 1980 through to new model launch. I will not here argue the merits and demerits of alternative products available—we shall be doing that in the market place. But unashamedly we shall be appealing to people to buy British and we shall tap, I am sure a reservoir of goodwill and reason.

Frank Maycock,
General Manager,
Heron Motor Group.
Liverpool.

My British maid

From Dr. Robert Cutler

Sir,—Mr. Gurney's letter (Dec. 19) is highly relevant. Is it possible or credible that striking Leyland workers in the past have not realised that the shortfall in production resulting inevitably results in increased foreign imports using foreign steel.

As to whether those dispensing company benefits should insist on an 85 per cent content of British steel in models eligible for selection by their employees, or for that matter, insist on a British car only is a moot point, and indeed it seems questionable as to what extent Leyland should be protected in this way.

There is nothing basically wrong with British cars. My Maxi is still a maid of all work car, retrieving broken down family mopeds, carrying heavens knows what for church auctions and garden fetes, and allowing all my professional equipment to be stowed in the rear.

I can think of one or two foreign cars, more stylish, and conceivably now more efficient in these workaday duties, but my inclination remains to buy British.

When the purchase of a new car seems desirable, Leyland workers should realise that this option to buy a foreign car is open to me, and if they have any regard to their steel making or accessory parts colleagues, they should act as to leave me in no doubt as to how to exercise this option.

Trade union leaders concentrating exclusively on the interests of their own members should ponder this point too.

Robert Cutler.
19, Woodlands Road, Surbiton, Surrey.

JFB reveals estimated £4m current cost loss

THERE WOULD have been a pre-tax loss of £4.5m at Johnson and Firth Brown for the 15 months to September 30, 1979, if the principles of the latest CCA exposure draft had been applied, says Mr. J. M. Clay, chairman, in his annual statement. This compares with a hitoric taxable profit of £10.2m.

The £14.7m difference highlights the problem facing the group and the erosion of its capital base, the chairman adds.

The difference comprises charges for additional cost of sales of £7.5m, extra depreciation of £10.9m and a monetary working capital adjustment of £0.5m, partially offset by a gearing adjustment of £4.2m.

The historic accounts show that net working capital increased from £68m at June, 1978 to £77m at September, 1979. After adjusting for acquisitions and disposals, the increase was some £10m at a time when working capital remained almost unchanged in real terms, the chairman says.

The working capital figures at September, 1979, he adds, were slightly confused by the engineers' dispute and, in particular, stocks were rather higher and debtors rather lower than they would otherwise have been—at £76.4m (£63.06m) and £51.52m (£48.28m) respectively.

Borrowings were higher at £59.9m (£45.2m), which, he says, reflect not only these factors but also the acquisitons of Glossop Superalloys and Weston-Evans, and the heavy payments in completing the group's capital investment programmes.

The chairman adds that the early 1980s will be a period of consolidation and improved results for the group.

As reported on December 7, pre-tax profits fell to £10.2m in the 15 months to September 30, 1979, against £12.3m in the previous 12 months. The net total dividend is being raised to 4.97245p (4.7593p).

Meeting, Sheffield, on January 28 at noon.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

FUTURE DATES

Interims:	
Ailsa Investment Trust	Jan. 9
Imry Property	Jan. 9
Paradise (B.)	Jan. 3
Finals:	
English China Clays	Jan. 10
Fife Forge	Mar. 20
M & G Dual Trust	Jan. 9

IMI RENAMES

Yorkshire Imperial Metals, a subsidiary of IMI, has changed its name to IMI Yorkshire Imperial.

Greenbat sale approved

SHAREHOLDERS of Fairbairn Lawson, the troubled Leeds engineering group, voted in favour of the sale of Greenbat, an engineering subsidiary, to the South American-controlled company, Atlantic Engineering, at a book loss of £3m.

Before the special resolution approving the sale was passed at Monday's EGM, there was critical comment from shareholders about the loss of £2m at Greenbat for the year ended December 31, 1978.

Sir John Lawson, the chairman of Fairbairn Lawson, said directors had requested temporary suspension of the listing of the company's shares on Friday because discussions were taking place which might or might not lead to a takeover offer.

He added: "I want to make it clear that the agreement for the sale of Greenbat is a prerequisite of the bid discussions that are going on."

Asked why the losses on Greenbat were not discovered earlier, Mr. Noel De Monte, the group managing director, said: "The basic problem was that the volume of stock was mis-assessed and wrongly stated. No-one appreciated the extent to which the stocks were being overvalued until it became apparent in February this year."

He said: "The stock accounting and work-in-progress had been transferred to a computer programme, but implementation of the computer programme was bad and there were fundamental errors. I will accept my responsibility, but I didn't know this at the time."

Mr. De Monte is resigning from Fairbairn Lawson without compensation to take up the position of managing director of Greenbat at the invitation of Atlantic, which is based in Jersey.

Asked if he was satisfied that a mistake similar to the computer errors at Greenbat would not recur, Mr. Michael Lawson, a director, said: "We are satisfied that the accounting functions within other group companies are well maintained and well operated and we are obviously very conscious that shareholders require us to ensure that this situation will not happen again."

The managing director and financial director who certified the stock value at Greenbat were no longer with the company.

GLAXO

Glaxo Group's U.S. subsidiary, Meyer Laboratories Inc., has been re-named Glaxo Inc. Glaxo acquired Meyer in 1978 as part of a strategy to develop a direct U.S. marketing outlet for its pharmaceutical products.

Mowat negotiating on two property related deals

THE handful of shareholders who attended the annual meeting of property group Wm. Mowat were left little the wiser about its current progress.

After a chequered year which has seen a change of control, an abortive rights issue, a collapse in profits, and qualifications to the accounts, Mr. Robin Davison, the chairman, said he was hoping for growth in 1980 and for 1979 soon to be forgotten.

He did not tell shareholders why the shares had been suspended last week at 21p, less than a third of its best level in 1979. After the meeting, however, he said the suspension had been requested to prevent speculation while Mowat was pursuing two possible deals. The shares should return early this year.

Mr. Davison has earlier told shareholders that after a difficult year, with some "fairly violent changes," Mowat was now in negotiations which could lead to growth in 1980.

He did not spell out their nature, but said they partly involved property, though not just property development. It was important, he said, for Mowat to increase its property investment side.

As well as seeing its pre-tax profits slither from over £20,000 to less than £2,000 in the year to May 31, 1979, the company also incurred an extraordinary charge of £11,390. This related to the takeover attempt by the Jersey-based Jenih investment company, which sold its 81.7 per cent stake early last year, and to the proposed £300,000 rights issue, later cancelled.

The qualification of the 1978-79 accounts by the auditors related, said Mr. Davison, to possible liabilities on property transactions early in 1979. It did not involve Mowat or its subsidiaries, but had been carried out by third parties on its behalf.

Mr. Davison said he did not believe that Mowat had any liability; nor was the sum involved very large. But the company could say no more until the Official Receiver, who is involved in the negotiations, had completed his task.

No hints from board on Monument's profitability

DIRECTORS of troubled industrial laundry concern Monument Securities faced some sharp questioning from shareholders at the annual meeting and a poll had to be called before the accounts could be approved and one director re-elected.

Chairing the meeting in the absence of the chairman, Mr. Desmond Finlay-Mulligan, who was in the U.S. on company business, Mr. Charles Armstrong, a director and former chairman, said trading was "still very difficult." The economic climate in the world was not easy, especially in the U.S. where Monument is heavily involved.

He declined to say whether Monument was now in overall profit, having slumped from a £102,400 pre-tax surplus to a £38,140 loss in the year to March 31, 1979. But UK trading was satisfactory, he noted.

On a show of hands, the few shareholders present declined to pass the accounts or approve the re-election of Mr. Joseph Morrison as a director. But both motions were carried after a poll, with directors' votes—their total holdings were down to around 375,000 shares at end-November, 1979, from 915,000 at end-March, 1978 — weighing heavily in the balance.

Not included in either share total are the 50,240 shares held for about a year by Mr. Donald Rafelman, who was a non-executive director for a year or so with the aim of expanding the business in Canada but left Monument when lack of capital prevented this.

Mr. Armstrong said an interim statement should be out in February or March. Shareholders were critical of the fact that the last interim report gave the impression that a profit would be made in 1978-79.

He was also asked about the statement with the accounts by Arthur Andersen, the auditors, referring to dependence "on the continued support of the company's bankers."

Mr. Armstrong told them that this would be forthcoming. The balance-sheet shows bank overdrafts of £471,000 against £558,000 against cash of £86,000 (£9,000).

J. Sanger sells U.S. side —raises Australian stake

MEAT TRADER J. SANGER has changed its international group structure by selling its U.S. subsidiaries for around $175,000 and acquiring a further 10 per cent of its Australian subsidiary, Sanger Australia.

The sale of Sanger Holdings (U.S.A.) — with its three subsidiaries Sanger North America, Sanger Import Export Corp., and Beness International—was concluded immediately after Christmas, Mr. Jim Sanger, chairman, told the annual meeting.

The sum paid represents almost entirely a premium over negligible net assets. The buyer is an undisclosed Australian company.

The sale was a tidying-up operation after the shift last year in the pattern of Sanger's U.S. business. Previously it had a vertically-integrated operation procuring meat in Australia for sale in America.

However, with losses reaching $1m a year, the company moved to establish an agency arrangement with a U.S. meat importer. It now procures meat in Australia for sale to the importer on a commission basis.

Sanger Holdings Australia has bought £67,000-worth of shares in Sanger Australia from Mr. J. Cooper, a director of the company. The deal brings Sanger's interest in its subsidiary to 90 per cent.

Reviewing the trading position, Mr. Sanger reaffirmed that the group was "out of the major problem area of retail sales." He said that with "a certain amount if reorganisation and rationalisation, in the long term we should get an improvement to the sort of profits seen in previous years."

The group has suffered a serious downturn since 1977 after diversifying into retailing through the Socold and Astromarket acquisitions. These have since been sold. In 1979, losses on retailing and U.S. operations of £1.3m wiped out a £448,000 profit made on the group's traditional meat trading activities.

Bass plans further expansion

TRADING in the current financial year has started well for Bass (formerly Bass Charrington), brewers, but with costs continuing to rise, price adjustments will be inevitable during the early part of 1980, Mr. Derek Palmar, the chairman, says in his report.

In spite of the difficult economic conditions ahead, he expects the company to make further progress and expansion in all areas is planned and to this end authorised capital expenditure has been increased to £136m.

Since the introduction of self-financing productivity schemes in November, 1977, there have been fewer stoppages. With the hope that this improvement will continue, a share ownership scheme for employees is to be introduced.

As known, sales for the year to September 30, 1979 were £0.12bn higher at £1.13bn with pre-tax profits up £6.1m to £111.6m. Fixed assets for the group at year end were £662.4m (£600.8m) and net current assets £62.9m (£60.3m).

The final dividend is 5.7p (4.3p) making a total of 7.8p (6.1p).

Meeting, Grosvenor Hotel, W. January 24, 1980 at noon.

Royal Liver

The industrial life business of the Royal Liver Friendly Society advanced during the year with new annual premiums increasing from £5.83m to £7.63m. In the ordinary branch, new annual premiums rose from £1.63m to £1.99m. The overall amount of sums assured is £156m against £131m.

Yearlings up

The coupon rate on this week's batch of local authority yearling bonds rose slightly from 15¾ per cent to 15¼ per cent. Due to mature on January 7, 1981, they are issued at par. A full list will appear in tomorrow's issue.

Assoc. Engineering sees upturn

PROSPECTS for Associated Engineering in 1980 are for a return to a more satisfactory level of profitability, Mr. J. N. Ferguson, chairman, tells shareholders in his annual report.

This is provided that the level of disruption is contained at a much lower level than in 1979 and some success is achieved in controlling inflation, the chairman adds.

For the year to September 30, 1979, pre-tax profits fell from £29.4m to £19m on sales of £367.8m against £324m. Although the results were disappointing, they were better than expected in view of the many disruptions in the UK, the chairman says.

On a CCA basis, profits were cut to £7.2m (£18.3m) after adjustments for additional depreciation, £6.2m (£5.3m), cost of sales, £10.2m (£9.5m) and gearing, £4.6m (£3.7m).

Capital employed increased from £201m to £213m and as forecast last year, there was an improvement in the ratio of stocks to sales which meant working capital increased by only 3.6 per cent compared with a sales increase of 14 per cent.

The slower rate of working capital increased coupled with lower capital expenditure has meant that net borrowings after allowing for short-term deposits and investments increased by only £4.4m, in spite of the depressed profits for the year, the chairman says.

On this basis, net borrowings at September 30 were 26.8 per cent of capital employed compared with 26 per cent in the previous year.

Referring to the £10m airfoil components factory at Garforth near Leeds, the chairman says the project will create some 350 new jobs and is due to start production by November, 1980.

The pattern of growth is a furthering of the policy of continuing to seize investment opportunities in the UK when they arise, while extending group activities overseas, Mr. Ferguson adds.

Meeting, The Savoy Hotel, WC, January 31, at noon.

£337m in BR pension fund

AN excess of income over expenditure of £63.8m is reported by The British Railways (Wages Grades) Pension Fund for the year to April 5, 1979. The excess in the previous year was £57.8m. £6m higher atriynt 123456 123456

Contribution income was nearly £6m higher at £46.6m, while investment income advanced by £4m to £21.1m. The value of benefits paid was more than £2m higher at £14.1m of which pensions accounted for £6.8m. The value of the fund at the end of the year stood at £337.3m against £282.7m at the beginning.

During the year the fund invested a further £70m of new money, of which £27m was invested in UK equities, £17m in UK fixed interest securities, £16m in loans and deposits, £5m in property and £3m in works of art.

The market value of investments at the end of the year amounted to £375m (book value £248m), of which £202m was in UK equities, £75m in property, £32m in UK fixed interest and £11m in works of art.

The investment managers report that both equity and fixed interest markets showed considerable change. They point out that opportunities to invest overseas were limited, but they still regarded the American market as remaining attractive and would make further investment when the opportunities appeared right.

LAZARD FUND PAYS 3.7p

The board of Lazard Brothers Sterling Reservice Fund has resolved that a dividend of at least 3.6p per participating share be provided in the accounts to December 31, 1979, and that the fund's managers should round this figure upwards to use as much of the available revenue as possible.

The resulting dividend of 3.7p will be paid on March 7, 1980.

TERN CONSULATE

Men's shirt and knitwear manufacturer, Tern-Consulate, has extended its financial year end to January 31 for administrative reasons. The results for the 13 months to January 1980 will be published in May.

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.320	—	—	1	13.50	—	—	F.322
ABN C	F.330	10	0.50	2	5.50	—	—	"
ABN C	F.350	—	—	2	1.80	—	—	"
AKZ C	F.22.50	—	—	14	3.20	—	—	F.23.90
AKZ C	F.25	10	0.50	30	1.60	72	2.30	"
AKZ C	F.27.50	14	0.10	2	0.80	—	—	"
AKZ C	F.30	—	—	6	0.30	100	0.70	"
AKZ P	F.25	20	1.40	5	1.60	—	—	"
ARB C	F.70	—	—	—	—	5	2.60	F.67.30
CSF C	F.440	—	—	2	27.80	—	—	F.460
HO C	F.20	—	—	—	—	1	4.20	F.21.10
HO C	F.22.50	—	—	—	—	11	2.50	"
IBM C	$65	—	—	1	4 5/8	—	—	$64 3/4
KLM C	F.80	28	0.60	7	5.60	—	—	F.75.60
KLM C	F.90	—	—	12	1.20	—	—	"
KLM C	F.100	—	—	2	0.70	—	—	"
KLM P	F.70	—	—	3	3.80	—	—	"
KLM P	F.80	2	6.70	—	—	—	—	"
KLM P	F.90	—	—	1	16.50	—	—	"
NN C	F.120	5	2.20	15	6.30	—	—	F.119.70
NN C	F.125	—	—	10	3.40	—	—	"
PET C	Fr.5000	—	—	2	800	—	—	Fr.5540
PET C	Fr.5500	—	—	3	480	—	—	"
PET C	Fr.6000	5	60	6	250	—	—	"
PHI C	F.20	60	1.30	292	2.10	108	2.40	F.21.10
PHI C	F.22.50	—	—	125	0.90	193	1.10	"
PHI C	F.25	—	—	—	—	65	0.50	"
PHI P	F.22.50	—	—	15	1.50	2	1.90	"
PHI P	F.25	20	4	—	—	—	—	"
PRD C	$30	2	1/8	—	—	—	—	$27 5/8
RD C	F.145	20	6	—	—	—	—	F.149.80
RD C	F.150	86	2.50	25	8	—	—	"
RD C	F.160	120	0.40	105	3.50	30	4.60	"
RD P	F.145	15	0.40	—	—	—	—	"
RD P	F.150	15	2.90	2	3.80	—	—	"
UNI C	F.120	—	—	5	4	3	4.80	"
UNI C	F.125	—	—	—	—	2	2.80	"
UNI C	F.130	—	—	30	0.80	—	—	"
XON C	$55	25	1 7/8	—	—	—	—	$55 1/8
XON C	$60	25	1/8	—	—	—	—	"
		Feb.		May		Aug.		
BA C	$50	2	2 5/8	—	—	—	—	$50 1/8
OXY C	$25	1	3 3/8	—	—	—	—	$27 1/8
OXY C	$30	—	—	—	—	3	3/8	
SLB C	$100	—	—	6	7	—	—	$94

TOTAL VOLUME IN CONTRACTS 1814

C=Call P=Put

INSURANCE BASE RATES

† Property Growth 13¼%
† Vanbrugh Guaranteed 14.5%
† Address shown under Insurance and Property Table.

BASE LENDING RATES

A.B.N. Bank .... 17 %
Allied Irish Bank .... 17 %
Amro Bank .... 17 %
American Express Bk. 17 %
A P Bank Ltd. .... 17 %
Henry Ansbacher .... 17 %
■ Arbuthnot Latham ... 17 %
Associates Cap. Corp. 17 %
Banco de Bilbao .... 17 %
Bank of Credit & Cmce. 17 %
Bank of Cyprus .... 17 %
Bank of N.S.W. .... 17 %
Banque Belge Ltd. ... 17 %
Banque du Rhone et de la Tamise S.A. 17½%
Barclays Bank .... 17 %
Bremar Holdings Ltd. 18 %
Brit. Bank of Mid. East 17 %
■ Brown Shipley .... 17 %
Canada Perm't Trust 17 %
Cayzer Ltd. .... 17 %
Cedar Holdings .... 17 %
■ Charterhouse Japhet 17 %
Choulartons .... 17 %
C. E. Coates .... 17 %
Consolidated Credits 17 %
Co-operative Bank .... *17 %
Corinthian Secs. .... 17 %
The Cyprus Popular Bk. 17 %
Duncan Lawrie .... 17 %
Eagil Trust .... 17 %
E. T. Trust Limited ... 17 %
First Nat. Fin. Corp.... 18½%
First Nat. Secs. Ltd. ... 18 %
Robert Fraser .... 18 %
■ Antony Gibbs .... 17 %
Greyhound Guaranty 17 %
Grindlays Bank .... ‡17 %
■ Guinness Mahon .... 17 %
■ Hambros Bank .... 17 %
■ Hill Samuel .... §17 %
C. Hoare & Co. .... †17 %
Julian S. Hodge .... 18 %
Hongkong & Shanghai 17 %
Industrial Bk. of Scot. 17½%
Keyser Ullman .... 17 %
Knowsley & Co. Ltd.... 18½%
Lloyds Bank .... 17 %
London Mercantile .... 17 %
Edward Manson & Co. 18 %
Midland Bank .... 17 %
■ Samuel Montagu .... 17 %
■ Morgan Grenfell .... 17 %
National Westminster 17 %
Norwich General Trust 17 %
P. S. Refson & Co. ... 17 %
Rossminster .... 17 %
Ryl. Bk. Canada (Ldn.) 17 %
Schlesinger Limited ... 17 %
E. S. Schwab .... 17 %
Security Trust Co. Ltd. 18 %
Shenley Trust .... 19 %
Standard Chartered ... 17 %
Trade Dev. Bank .... 17 %
Trustee Savings Bank 17 %
Twentieth Century Bk. 17 %
United Bank of Kuwait 17 %
Whiteaway Laidlaw ... 17½%
Williams & Glyn's ... 17 %
Yorkshire Bank .... 17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

UK COMPANY NEWS AND COMMODITIES

Prudential life premiums advance 30% to £186m

BY ERIC SHORT

LIFE BUSINESS last year was even more successful than in 1978 for the *Prudential Corporation*, the largest life company in the UK.

Overall new annual premiums in 1979 advanced by nearly 30 per cent from £144.9m to £186.4m, while single premiums improved by 8 per cent from £90.9m to £98.1m. In the previous year, annual premiums rose by 23 per cent and single premium business declined by 4.3 per cent.

Individual business in the UK from the main subsidiary, *Prudential Assurance*, was particularly buoyant. In the *ordinary* branch new annual premiums on traditional individual assurances advanced by 46 per cent to £40.5m and on personal pension contracts by 33 per cent to £16.5m, the company being a leader in the personal *pensions field for the self-employed*.

Single premiums sold by Prudential Assurance also advanced by over 20 per cent from £11.9m to £14.6m—this business being mostly immediate annuity contracts. *Sums assured* declined by 23 per cent reflecting a continuation towards shorter term contracts.

These figures show that the Pru, through its direct selling field staff, has maintained the high growth rates seen in 1978. It is noticeable stand Standard Life, the largest life company in Scotland, which markets mainly through insurance brokers, only recorded a 10 per cent rise last year in ordinary individual life business.

The Industrial life business of the Pru, where premiums are paid on a four-weekly basis and collected by agents, new annual premiums advanced by nearly 40 per cent from £35.6m to £49.3m. But this growth was boosted by the *change in April, 1979, in the* method of crediting premium relief on life assurance contracts.

Nevertheless, ignoring this boost, premium income would have been at least 12 per cent higher, showing that this type of life assurance is still thriving.

However, the new business *results of the linked-life subsidiary*, Vanbrugh Life, were rather patchy. New annual premiums improved by nearly 20 per cent from £1.6m to £1.9m, while single premium business declined by over 6 per cent from £35.9m to £33.5m.

This result is somewhat surprising in a year that is expected to be very good for linked business. At the *nine-month* stage, linked life business annual premiums for the whole industry were 73 per cent higher and single premium business was slightly improved.

Vanbrugh, which operates only through insurance brokers, has been meeting stiff competition both from the established linked life companies and from traditional life companies recently *entering* the linked sector.

Last year was also a good year for group pensions business. New annual premiums from Prudential Assurance were 65 per cent up at £27.8m against £16.9m, while single premiums were *slightly higher* at £16.7m against £16m. The impetus given to company pensions *schemes in* 1978 by the new State pension scheme has continued.

But new business in the managed fund subsidiary, Prudential Pensions, declined after successive years of growth.

This company offers investment management services to pension schemes on a unitised basis. New annual premiums amounted to £16.4m against £18.9m, and single premiums £5.7m against £9.1m.

This decline reflects the slowing down in transfers of schemes from an insured basis in the main company to a managed fund system.

Overseas life and pensions business of the Prudential Corporation improved. New annual premiums fro individual business were maintained at £13.1m against £13m while single *premiums doubled from £3.4m* to £7.4m. On group pensions business new annual premiums advanced by 20 per cent from £6.3m to £7.6m and single premiums doubled from £4.6m to £9.7m.

Mercantile and General Reinsurance Company continued competitive market, with new annual premiums 8 per cent higher at £14.3m against £13.2m and single premiums amounting to £10.5m against £10m. New business in the U.S. has increased by 50 per cent.

Mr. R. H. Owen, chairman of Prudential Assurance . . . individual business in the UK was particularly buoyant in 1979

Friends' Provident bonus rise

A RECORD level of reversionary bonuses on *with-profit contracts* has been declared by the Friends' Provident Life Office for the three years to December 31, 1979. On ordinary UK life business, the *bonus rate is £4.75 per cent* per annum of the sum assured and *attaching bonuses compared with* £4.40 per cent previously.

On *personal pension policies*, mainly for the self-employed, the rate is lifted to £6 per cent per annum compared with the last declared rate of £5 per cent and the interim rate of £5.50 per cent. On exempt approved pension *schemes (cashable policies) the* rate is £9.50 per cent per annum against £7.50 per cent previously.

However, the company has cut its terminal bonus rates for 1980. The bonus in respect of ordinary life business, payable on death or maturity claims, is reduced from 35 per cent to 30 per cent of attaching *bonuses*. On *personal* pension policies, the bonus paid on vesting, when the pension becomes due, is lowered from 12½ per cent to 10 per cent of attaching bonuses.

The company states that the higher levels of reversionary bonus reflect the greatly in*creased investment income* received over the past three years, in particular from heavy investment in high yielding gilts.

But the continuing fall in the value of investments during the *second half to lower levels has* resulted in the cut in terminal bonuses. Friends' Provident previously lifted these rates in May, 1979.

The net effect of these bonus changes on maturing contracts is *that policyholders in 1980 will* receive virtually the same. For example, on a 10-year policy taken out by a man aged 34 for a monthly premium of £10, would have *paid out* £1,806 in December on the old rates and this month will pay £1,802 on the new rates.

For a 25-year policy for the same premium, the maturity value drops from £7,744 to £7,726. However, the new bonus rates, if *kept unchanged, will provide* a higher maturity values on new contracts, compared with those on the previous rates.

Metal Box India growth

BY P. C. MAHANTI IN CALCUTTA

METAL BOX, the Calcutta-based offshoot of Metal Box of the UK and a leading packaging firm in the Indian engineering industry, has reported sales of *Rs 1.34bn ($170m) for the 18* months ended last September, *compared with Rs 682m for the* previous 12 months.

The company's latest report covers 18 months due to an *accounting year change. Pre-tax* profit for the period was Rs 70m *against Rs 28.7m for the* previous year.

The dividend for the period is 21 per cent. On an annual basis it works out to 14 per cent as against 8 per cent for the year ended March, 1978.

The company's major diversification project to make bearings has been in commercial productio nsince August. No marketing problem for the product is foreseen, and it is claimed that the Metal Box bearing will bridge a quality gap in India's industry. In due *course the project will con*tribute substantially to *earnings. The company is* already deriving substantial tax benefits from the project.

The second diversification venture, to make offset printing machines in collaboration with Rolland Offset of West Germany, is about to go into production.

Alexandra Palace sold for £1

ALEXANDRA PALACE, in *North London, will be handed over by the Greater London Council to the London Borough* of Haringey today, with *a cheque for £8.5m—the* GLC's contribution to the future of the century-old palace and park.

Haringey, which is buying "Ally Pally" for a nominal £1, plans to start work immediately on converting it into a major exhibition and conference centre with community and cultural facilities.

Braniff record

BRANIFF INTERNATIONAL reached a single-day traffic record of 52.3m passenger-miles flown on December 20, and then broke it on December *21 with 57.8m. The previous* one-day record was 51 on May 25.

Winter sales drive for TR7

THE FIRST of 400 black Triumph TR7s will soon be arriving in showrooms, showing Rover Triumph Cars determination to keep the TR in the public eye during winter, the motor industry's worst period for sports car sales.

Costing £6,100, the latest fixed head car in the new series offers a sunroof and alloy wheels as standard, and introduces *1980* specification interior trim.

Hemerdon share ownership problems almost settled

BY PAUL CHEESERIGHT

THE SHARE OWNERSHIP *problems of Hemerdon Mining* and Smelting, which is involved in what could be the biggest UK metal mining venture of this century, are likely to be resolved in the Ontario Supreme Court later this week.

HMS owns the mineral rights to the largest tungsten deposit in the UK, at Hemerdon Ball near Plymouth. It is engaged in a joint venture with Amax, the diversified U.S. minerals group which *is spending about £6m to* establish the feasibility of *mining*.

Company executives hope the Ontario Supreme Court will approve a system of share allotment in HMS. The system was devised by Dunwoody, a Toronto company appointed as trustee for potential shareholders both by this court and the Supreme Court *in Bermuda, where HMS is* registered.

Once the Ontario court has ruled on the Dunwoody system, the matter will move to the Bermuda court. If there are no difficulties, shares could be sent out to holders by the end of the month.

This would end over three years' litigation in the courts of Bermuda and Canada. The case of the HMS shares centres on the activities of Mr. Billy Richardson, a *Canadian entrepreneur who* raised money, mainly in North America, to establish HMS in the 1960s and early 1970s.

Those who supported him with either finance or services were to be paid in shares, but no allotment was ever made. Disputes about the shares—*claimants never received formal* proof of ownership—led the Bermuda court to place them in the trust of a local bank.

There are 5m shares in issue, but there have been claims for about double that. Dunwoody's system provides for a share to be allotted for every one dollar *advanced to* Mr. Richardson.

However, Mr. Richardson, who lost executive control of HMS in December, 1976, would remain the biggest single shareholder. He would own *800,000* shares, but they would be held in trust *for him*.

A breakdown of the 1,551 claimants likely to be allotted shares shows that control of any future mine at Hemerdon Ball will be vested in foreign hands. More than half the potential HMS shareholders are in the U.S.; there are only six in the UK.

But HMS is looking at the possibilities of London registration, said Mr. Carl Schwarzwalder, the chairman. This could follow a start to over-the-counter trading in the U.S.

Once the courts have made their decisions a prospectus will be lodged with the Securities and Exchange Commission in the U.S. Over-the-counter trading by March or April is "a realistic hope," Mr. Schwarzwalder added.

An end to the litigation will mean that HMS will be placed on a sounder footing to raise finance for its half share of the development costs should mining go ahead at Hemerdon Ball.

Amax plans to complete its feasibility study by mid-1981, *but a fairly clear idea of the* prospects should be apparent by next autumn. By that time there will have been about six months of pilot plant activity on extracting tungsten, tin and china clay from the orebody.

Part of the pilot plant will be commissioned later this month. The whole plant should be working by the end of March.

Amax has established, since it entered the joint venture with *HMS in October, 1977*, that the main orebody is about 650m long, 150m wide and 200m deep. It contains about 45m tonnes of ore, of which 0.17 per cent is tungsten and 0.025 per cent tin.

The deposit, worked at the end of World War One and during World War Two, could make the UK *nearly self-sufficient in* tungsten, an important alloying element noted for its durability. So far the UK produces only small amounts of tungsten—as a by-product in the Cornish tin mines and from the Carrock Fell *mine in the Lake District*.

Manning and sales setbacks for Hunslet

AS a result of the previous government's pay code and guidelines, Hunslet, the Leeds engineer, was unable to keep abreast of local pay levels and this meant about one-third of the company's experienced workforce leaving, Mr. Rae Fryers, the chairman, says in his report.

This severe setback will take a long time to get over and the engineering strike has already resulted in a loss of £1m in turnover since the year-end. Mr. Fryers says both these factors will have a bearing on results for the current year.

The order book is sufficient to *provide some* work into 1981, but not enough to avoid shortages beginning to show in some of the early processes both in Leeds and at Kilmarnock. There is concern about the reductions in the steel industry.

As reported on December 15, pre-tax profit for the 52 weeks to August 5, 1979 were down from £928,000 to £621,000. Turnover increased from £8.8m to £10.8m.

Meeting, Leeds on January 21 at 11 am.

GRE lifts rates on retirement bonds

The Guardian Royal Exchange Assurance has substantially improved its UK premium rates on its retirement annuity guaranteed bonds, to reflect the higher levels of interest rates. *These bonds are single premium* plans for the self-employed and others in non-pensionable employment where the whole of the pension is guaranteed from outset.

For example, a man aged 54 paying a lump sum of £1,000 would now at 65 receive a tax-*freelump sum of £897 plus* a pension of £270.84 per annum. Previously he would have received £678 plus a pension of £205.20. Similarly, for the same outlay, a woman aged 49 would receive a lump sum of £806 plus *a pension of £249.84, compared* with £593 and £184.68 previously.

The company intends to change these rates more frequently in response to changes in interest rates, on similar lines to immediate annuity rates. Thus investors can get the full advantage of higher interest rates.

Borthwick completes £1.1m deal with FMC

MIDLAND CATTLE PRODUCTS, a subsidiary of Thomas Borthwick and Sons, has completed the purchase of that part of the animal by-products *businesses of FMC previously carried* out at FMC Products (Nottingham) at Stoke Bardolph and William Menzies at Calne.

The £1.1m cash deal includes the land, buildings and plant at Stoke Bardolph. With a book value of £0.8m. MCP has also bought for cash certain stocks the value of which, it is estimated, does not exceed £150,000.

This *is part of a continuing* policy by Borthwick to look for *further growth in the by-products* business in the UK.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer in morning only trading on the London Metal Exchange. End-year book squaring coupled with short covering on U.S. account saw forward metal edge up in quiet trading to close the morning kerb at £1,015. The only feature of the morning's *trading was the widening of the con*tango to £15. Turnover 12,900 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £992, 93 94, three months £1,007, 8, 7, 6, 7, 8. Cathodes, three months £990. Kerb: Wirebars, cash £995, three months £1,009, 8, 9, 10, 11, 12, 14, 15, 16.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	994-5	—3	—	+2.5
3 months	1008-9	+1	—	+7
Settlem't	995	—3	—	......
Cathodes				
Cash	970-2	+1.5	—	+6.5
3 months	988-9	+1.5	—	+7
Settlem't	972	+2	—	......
U.S. Prod	—	......	105-107	......

TIN—Lower, reflecting the heavy fall on the Penang market coupled with good selling of cash material. Forward metal opened around £7,210 but gave ground to £7,190 in good two-way *trading. On the kerb renewed pressure* on cash metal depressed forward material which *dipped* to £7,160 before closing at £7,170. Turnover 430 tonnes.

Morning: Standard, cash £7,410, 20, 30, 40, 30, 20, 10, three months £7,190, 80, 7,200. Kerb: Standard, three months £7,170, 60.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7405-15	—152	—	—22
3 months	7200-20	—120	—	—10
Settlem't	7415	—155	—	......
Standard				
Cash	7405-15	—152	—	—22
3 months	7190-200	—112	—	......
Settlem't	7415	—155	—	......
Straits E.	$2088	—50		......
NewYork	—	......		......

LEAD—Lost ground for forward metal as trade selling depressed the price from £495 on the early pre-market to around £484 at the end of pre-market trading. However, in the rings the *market rallied with forward metal* moving ahead to close at £494 on the kerb. Turnover 4,300 tonnes.

Morning: Cash £501, 2, 6, 7, 8, three months £492, 91, 90.5, 90 Kerbs: Three months £492, 96.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	508-10	—5	—	+5.5
3 months	490-1	—9	—	—3
S'ment	510	......	—	......
U.S. Spot	—	......	*57-59	......

ZINC—Down in dull and fairly routine trading with the rise in stocks affecting *sentiment in the market. Forward metal* traded in the upper £340's on the pre-market but gave ground to close the kerb at £339. *Turnover 3,125 tonnes.*

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	328-30	—1.5	—	—5.5
3 months	339-40	—1	—	—3
S'ment	330	—1	—	......
Prim w'st	—	......	*37.5	......

Morning: Three months £345, 44, 43.

ALUMINIUM—Held steady in quiet trading with forward metal finally £849.5 on the kerb although cash *material tended to ease*. The backwardation narrowed to £13. Turnover 3,250 tonnes.

Morning: Three months £344, 41, 40, 39, 40, 41, 40, 39, Kerbs: Three months £340, 39.

Morning: Cash £862, three *months* £846, 49, 47.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	859-60	+3.5	—	—1.5
3 months	846-7	+7	—	+5.5

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
Spot	2745-50	+92.5	—	+42.5
3 months	2850-40	+5	—	+30

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

NICKEL—Quietly firm with forward metal progressing from £2,815 on the early pre-market to close the kerb at £2,840. *Turnover 318 tonnes.*

Morning: Cash £2,745, 50, 45, three months £2,830, 20, 25.

LME copper stocks fall

STOCKS OF copper in the *London Metal* Exchange's official warehouses at the end *of* last week were 126,500 tonnes, 550 tonnes lower than the previous week. Reserves at the end of 1978 were 376,375 tonnes.

Tin stocks rose 330 tonnes on the week to 1,740 tonnes, compared with 1,625 tonnes a year earlier. Holdings of lead increased 225 tonnes to 17,525 tonnes (16,025 at the end of *1978), and those of zinc* climbed 3,400 tonnes to 46,000 tonnes *(70,275).*

Silver stocks were unchanged *from the previous* week at 13.1m troy ounces (22.89m oz). Nickel *reserves fell* 336 tonnes to 5,700 tonnes, compared with 2,394 *tonnes* when stocks were first announced last July.

Holdings of aluminium rose 2,850 tonnes to 17,450 tonnes, compared with 3,075 tonnes when the figures started to be *published on* January 2.

SILVER

Silver improved sharply to further record levels in the London bullion market, with the metal fixed for spot *delivery at 1,446.85p, a rise of 197.15p* or nearly 16 per cent from Friday. U.S. cent equivalents of the fixing levels were: spot 3,220.0c, up 435c; three-month 3,286.5c, up 426.2c; six-month 3,341.2c, up 421.5c; and 12-month 3,452.7c, up 424.3c. The metal opened at 1,350-1,415p (3,000-3,150c) and *closed at 1,415-1,465p (3,150-3,250c).*

Morning: Cash untraded three months 1,450, 60, 52, 55, 58, 60, 65, 70, 68, 69. *Kerb: Three months 1,470.*

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	1446.85p	+197	1482.5p	+170
3 months	1485.10p	+196	1471.5p	+175
6 months	1517.00p	+198	—	......
12months	1582.00p	+197	—	......

LME—Turnover 160 (268) lots of 10,000 ozs. Morning: Three months 1,450, 60, 52, 55, 58, 60, 65, 70, 68, 69. Kerb: Three months 1,470.

COCOA

Unchanged at the opening, futures *steadied* during the morning before coming off sharply during the afternoon session, to close at the lows of the day. Physicals were largely neglected with consumers and producers awaiting the new year before *re-entering the market in a major way*, reported Gill and Duffus.

COCOA	Monday's Close	+ or —	Business Done
Dec.	—	......	1455-30
March	1446-49	—26.5	1488-45
May	1453-54	—21.0	1490-53
July	1463-64	—16.0	1500-1462
Sep	1477-84	—17.0	1516-1480
Dec.	1505-08	—14.5	1540-15
March	1518-35	—18.5	—

Sales: 2,104 (6,815) lots of 10 tonnes.

COFFEE

Robusta opened stronger than expected in weak dealings with some initial light buying from the trade. *Weakness in near January continued*, with heavy selling of Jan.-March being evident over most of the day, which received more *pressure towards the* close to see a loss of £98 on Jan.—narrowing the differential by £65. With an early close in New York at around unchanged, this prompted London to a *slight recovery, closing above the lows* with an overall movement of −£70.50 to +£15 on the day, reported Drexel *Burnham Lambert.*

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
January	1686-87	—70.5	1676-78
March	1585-86	—5.0	1621-75
May	1559-60	—15.0	1608-58
July	1560-65	—0.5	1595-50
Sept	1560-65	+15.0	1584
Nov	1535-50	—	1570
January	1500-50	—	—

Sales: 6,178 (6,195) lots of 5 tonnes.

ICS indicator prices for Dec. 28 (cents per pound): Other Mild Arabicas 181.83 (183.33). Robusta ICA 1976 172.50 (174.00). ICA 1968 172.75 (174.25). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 191.81 (192.64).

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller, only). Pence per pound. Dec. 218.00, 238.00; March, *May, July, Oct. Dec.*, March and May all 232.00, 242.00.

SYDNEY GREASY WOOL—Close (in *order buyer, seller, business, sales)*. Australian cents per pound. Micron Contract: Market closed.

GRAINS

IMPORTED—Wheat: CWRS No. 1, 13½ per cent unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Jan. 104.75, Feb. 106.25, March 107.75, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 105.50, March 106.50, *transhipment* East Coast. EEC unquoted. Maize: U.S./French Jan. 116.25, Feb. 117.75, transhipment West *Coast. S. African White unquoted.* S. African Yellow Jan. 82. Barley: English Feed fob Jan. 98.25, Jan.-March 99.50, April-June 103.00, East Coast.

Mnth	WHEAT Monday's close	+ or —	BARLEY Monday's close	+ or —
Jan	96.05	+0.40	92.80	+0.35
Mar	100.30	+0.15	97.05	—0.05
May	104.60	+0.20	101.20	+0.10
Sept	97.95	......	94.80	......
Nov	101.55	......	98.35	......

The market opened higher on old crop and the spot positions were in constant demand closing steady 25-40 points up, while the deferred options closed between 5-20 points up. New crops were totally neglected, reported ACLI.

RUBBER

The London physical market opened quietly with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown *price of 295.5 (298.5) cents a kg* (buyer, January).

No. 1 R.S.S.	Mondays Close	Previous Close	Business Done
Feb.	68.50-68.80	67.20-67.60	—
Jan-Mar	69.90-69.70	68.30-68.80	—
Apr-Jne	71.00-71.05	70.10-70.20	71.10-70.50
Jly-Sept	73.15-73.25	72.55-72.48	73.25-72.70
Oct-Dec	75.40-75.45	74.75-74.90	75.45-75.40
Jan-Mar	77.80-77.85	77.15-77.30	77.80
Apr-Jne	80.50-80.55	78.58-79.55	80.30-80.25
Jly-Sept	82.75-82.80	81.80-82.00	82.75
Oct-Dec	84.85-84.86	84.20-84.80	84.90-84.60

Sales: 3335 (180) at 15 tonnes, nil (5) at 5 tonnes.

Physical closing prices (buyer) were: Spot 67.50p (66.50); Feb. 67.75p (67.25); March 68.75p (68.25).

SOYABEAN MEAL

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	121.00-21.2	+0.20	121.50-21.00
April	119.90-20.0	+0.05	120.50-20.00
June	118.90-21.0	+0.95	119.70
August	120.00-22.5	+0.25	—
October	119.00-20.0	+0.50	—
December	120.50-22.5	+0.50	—
February	121.00-24.5	+0.75	—

Sales: 24 (104) lots of 100 tonnes. The London market opened around unchanged and moved slightly better on end of year book squaring. Prices remained in a narrow range, and closed at *opening level, reported* T. G. Roddick.

SUGAR

Small gains at the opening were short-lived and in thin pre-holiday trading, prices eased gradually until closing *hour when heavier arbitrage selling* produced the lows of the day, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Mondays Close	Previous Close	Business Done
	£ per tonne		
March	184.00-84.25	184.60-84.80	187.25-84.00
May	184.75-84.90	185.65-85.75	188.25-84.55
Aug	183.10-85.40	184.50-84.70	187.25-85.75
Oct	183.10-85.25	184.25-84.50	186.50-85.25

Sales: 2,179 (3,890) lots of 50 tonnes.

LONDON DAILY PRICE (raw sugar): £179.00 (same) a tonne cif for Dec.-Jan.-Feb. shipment. White sugar daily price was £194.50 (same).

International Sugar Agreement (U.S. cents per pound fob and stowed *Caribbean port). Prices for December* 28: Daily price 15.52 (15.96); 15-day average 14.83 (14.77).

No. 4 CONTRACT—Close (in order buyer, seller only): May 183.00, 183.50; Aug. 181.50, 182.25; Oct. 181.50, 182.50; Jan. 180.00, 182.00; March 181.50, 183.00; May 182.00, 183.00. Sales: 42 (407).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales): 198.00; April 190.00, 198.00; July 193.00, 200.00; Sept. 194.00, 201.00; Nov. 195.00, 202.00; Feb. 197.00, 206.00; April 197.00, 206.00. All nil business; nil sales. Feb. 193.00,

PRICE CHANGES

In tonnes unless otherwise stated.

	Dec. 31 1979	+ or —	Month ago
Metals			
Aluminium	£760/70	......	£760/70
Free Mkt (cs)	$1758/1806	......	$1700/50
Copper			
Cash w'bar	£994.5	+2.5	£962.5
3 mths	£1008.5	+7	£973.5
Cash Cathode	£971	+6.5	£934
3 mths	£998.5	+7	£950.5
Gold troy oz	$526.50	+16.50	$409
Lead cash	£509	+5.5	£356.5
3 mths	£490.5	—3	£538.5
Nickel	£3,260.17	......	£3,185.22
Freemkt(cif lb)	270/310c	......	260/290c
Platin'mtr'y oz	£195.0	......	£176.5
Free mkt	£307.95	+5.7	£242.80
Quicksil'ver	$376/380	......	$340/345
Silver troy oz	1446.85p	+11.85	853.80p
3 months	1485.10p	+15.10	878.80p
Tin Cash	£7,410	—22	£7,665
3 mths	£7,210	—10	£7,452.5
Tungsten	$137.75	......	$142.40
Wolfrm 22.04 cif	$129.50/134	......	$132.5/138
Zinc cash	£329	—5.5	£332
3 months	£339.5	—5	£339
Producers	$780	......	$780
Oils			
Coconut (Phil.)	$870	......	$935.0r
Groundnut	‡		‡
Linseed Crude	£395	......	£414s
Palm Malayan	$660	......	$645.0r
Seeds			
Copra Philip	$565	......	$610
Soyabean (U.S.)	$285	+5	$295.50u
Grains			
Barley Futures	£97	......	£98.70
Maize			
French No3AM	£120.0r	......	£116.50s
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	£108.50r	......	£107.25t
Eng. Millingt	‡		‡
Other commodities			
Cocoa ship't	£1,507.5	—26.5	£1,583
Future Mar.	£1,447.5	—26	£1,497.5
Coffee F'tr Mar	£1,685.5	—5	£1,875
Cotton A Index	83.85c	+0.45	80.75c
Rubber (kilo)	57.50p	+1	64.50p
Sugar (Raw)	£179	......	£162
Wooltp's 64s kl	276p kilo	......	275p kilo

* Nominal. † New crop. ‡ Unquoted. q Dec.-Jan. r Jan./Feb. t Jan. u Feb. z Indicator. § Buyer.

Pig disease warning

WASHINGTON—The U.S. Agriculture Department said African swine fever, a deadly virus disease of pigs found in the Dominican Republic, Haiti and Brazil during the last two years, could be introduced into the U.S.

The department said plans for a U.S. emergency eradication programme had already been developed.

All U.S. pig producers are urged to be alert for sick pigs and to call their veterinarians immediately for diagnosis, the USDA said.

The fever strain active in the Dominican Republic has cut market supplies of pork by 20 to 25 per cent and reduced the number of live pigs in the country by two-thirds.

Reuter

AMERICAN MARKETS

NEW YORK, December 31.

LIMIT ADVANCES in silver brought it back to the historical relationship to gold which also closed sharply higher. New oil price advances by Libya and Mexico as well as the heating up of the Afghanistan situation were the main contributing factors. Copper closed stronger across the board on heavy trade and technical buying. Coffee was confined to fractional *increases in a featureless market and* was basically steady. Cocoa was down the limit on commission house liqui*dation and on arbitrage selling.* Anticipation of a potential suspension of sales quotas by ISA on January *3 led to profit taking and near-limit* moves on the downside in sugar. Cotton finished mixed on good trade and chart support. Heavy general liquidation by commission houses forced soyabeans and grains lower. Mild weather resulted in trade and speculative selling in cattle while the pork complex was mixed, Heinold Reported.

Cocoa—March 134.00 (138.00); May 135.00 (139.00); July 136.45; Sept. 137.55; Dec. 130.33; March 130.71.

Coffee—"C" Contract: March 181.56 (181.53); May 175.96 (175.83); July 175.00; Sept. 174.76; Dec. 172.63; March 170.55; May Unquoted. Sales: 630.

Cotton—No. 2: March 74.06 (74.17); May 75.95 (75.67); July 77.35; Oct. 74.50; Dec. 73.77; March 75.50; May 76.00. Sales: 2,500.

Copper—Jan. 103.50 (101.15); Feb. 104.40 (102.15); March 105.20; May 104.75; July 104.75; Sept. 104.60; Dec. 105.50; *Jan. 105.80; March 106.50;* May 107.00; July 107.50; Sept. 108.00. Sales: 4,220.

*Gold—Jan. 533.0 (517.80); Feb. 541.00 (525.00); March 549.40; April 557.80; June 574.20; Aug. 589.50; Oct. 604.30; Dec. 619.10; Feb. 632.60; April 646.00; June 659.40; Aug. 672.80; Oct. 686.20. Sales: 33,500.

*Silver—Jan. 3445.0 (2935.0); Feb. 2871.0 (2771.0); March 2950.0; May 2948.0; July 2989.0; Sept. 3029.5; Dec. 3091.0; Jan. 3110.2; March 3149.2; May 3188.2; July 3227.2; Sept. 3266.0. Sales. 6,000.

Sugar—No. 11: Jan. Unquoted (15.59); March 16.31 (16.80); May 16.48; July 16.46; Sept. 16.39; Oct. 16.38; Jan. 16.43; March 16.41; May 16.40. Sales: 4,300.

Tin—770.00-780.00 asked (770.00-791.00).

CHICAGO, December 31.

Lard—Chicago loose 22.25 (same). New York prime steam unquoted.

‡‡Maize—March 289¾ (291¼); May 301 (303); July 310½; Sept. 314¾; Dec. 316¾; March 328¾.

Silver—Jan. 3400.0 (2975.0); Feb. 2895.0 (2775.0); March 3085.0; April 2948.5; June 2994.5; Aug. 3035.0; Oct. 3075.5; Dec. 3116.0; Feb. 3156.5; April 3196.9; June 3237.2; Aug. 3277.4; Oct. 3317.5; Dec. 3357.5; Feb. 3379.4; April 3437.2; June 3476.5; Aug. 3516.5.

‡Soyabeans—Jan. 641¼ (652½); March 664¾ (676); May 687¾; July 707¾; Aug. 718½; Sept. 721; Nov 730; Jan. 745½.

‖Soyabean Meal — Jan. 182.80 (184.20); March 185.50 (187.10); May 189.70; July 195.40; Aug. 198.30; Sept. 200.90; Oct. 202.80; Dec. 204.70; Jan. 207.00.

Soyabean Oil—Jan. 23.78 (24.28); March 24.18 (24.68); May 24.62; July 24.91; Aug. 25.10; Sept. 25.25; Oct. 25.40; Dec. 25.67; Jan. 25.70; March 25.65.

‡Wheat—March 454¼ (458½); May 462¼ (465¾); July 467¾; Sept. 482; Dec. 501; March 518½.

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. ft. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, December 31.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $216, March $218. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Feb. $204, March $206. U.S. No. 2 Northern Spring, 14 per cent, $221, Jan. $215, Feb. $218, March $221, April-May, May-June $208, June-July $207.

Maize, Soyabeans, Soyameal: No quotable price changes available.

PARIS, December 31.

Market closed.

INDICES

FINANCIAL TIMES

Dec 31	Dec. 28	M'nth ago	Year ago
295.13	301.09	297.22	267.69

(Base: July 1, 1952=100)

MOODY'S

Dec. 31	Dec. 28	M'nth ago	Year ago
—	1299.9	1205.9	978.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Dec. 31	Dec. 28	Month ago	Year ago
Spot	419.13	421.85	418.87	354.71
F'tur's	423.05	426.69	426.87	383.58

(Average 1924-25-26=100)

REUTERS

Dec. 31	Dec. 28	M'nth ago	Year ago
1701.2	1698.2	1699.8	1496.0

(Base: September 18, 1931=100)

Brazil cotton boost forecast

WASHINGTON — Brazil's 1980-81 cotton output is forecast to rise to 600,000 bales of 480 lb, from an estimated 565,000 the previous season, the U.S. Agriculture Department attaché reported from Brazil.

Area planted to cotton in the North East is expected to be unchanged, but production is forecast to rise to 160,000 bales from 140,000. In the south, the area planted is forecast 25,000 hectares higher at 775,000 hectares and production is seen rising to 440,000 bales from 425,000.

The attaché said trade sources forecast a steady annual increase in domestic consumption of about 3 per cent.

Record harvest in China

PEKING—China's *grain* harvest set another record this year *with production estimated at* more than 315m tonnes, an *increase of more than 10m* tonnes from last year, the New China News Agency reported.

Output of oil-bearing crops was up 15 per cent over 1978 to 6m tonnes, and silkworm cocoons were up 35,000 tonnes to a record 210,000 tonnes.

Tea output was roughly the same as last year at 268,000 tonnes, while cotton was up slightly from last year's figure of 2.17m tonnes although the area devoted to the crop had been reduced.

Reuter

Sugar output drop forecast

By Our Commodities Staff

WORLD PRODUCTION of raw sugar in 1979-80 will be only 86.6m tonnes, E. D. & F. Man, the London broker, said in its end-of-year review. This is 2.7m tonnes lower than its last estimate made in September.

The 1978-79 harvests of cane and beet yielded 90.42m tonnes of raw sugar.

The company also forecast that at the end of the season stocks of sugar will be at their lowest level as a percentage of consumption since 1974-75.

"A decline in production for 1979-80 of almost 4m tonnes has changed the recent pattern of increasing stocks and has pushed the market up to a level where most producers are at last receiving more than their cost of production." it added.

Most of the drop in output was attributed to smaller crops in a few major producing countries: Brazil, Cuba, India, Thailand and the USSR. There were still uncertainties about the condition of the Cuban crop, however.

The London daily prices for raw and white sugar on Monday were unchanged at £179 and £194.5 a tonne respectively.

Brewery plans Guernsey hotel

A FORMER French Catholic college in Guernsey is to be converted into a 133-bedroom country club-style hotel at a provisional cost of about £3m.

The first phase of the project, being undertaken by Jersey's Ann Street Brewery, is conversion of the existing building into public rooms and 53 bedrooms in time for the 1981 tourist season. Completion of an 80-bedroom extension is due in 1982.

UK outlook 'not wholly gloomy'

THE OUTLOOK for the UK economy during 1980 "is not wholly gloomy," says Mr. Leslie Tolley, chairman of the British Institute of Management, in a New Year message to the institute's 65,000 individual members and 11,000 companies and organisations.

"A number of the levers of recovery are in our hands. We must, for example, fight aggressively for market opportunities, identify and develop necessary design improvements, initiate innovations in products and processes, keep delivery promises and—perhaps most important of all—explain directly to our workforce and all concerned the hard facts of the situation that require us to stop paying ourselves what our productivity does not merit."

UNITED TECHNOLOGIES SUCCESSION

The General and the ploughshare

BY STEWART FLEMING IN NEW YORK

The appointment by United Technol ogies—the 20th largest manufacturing company in the U.S.—of Alexander M. Haig, 55, lately Supreme Allied Commander for NATO, as chief operating officer, comes shortly after the General's withdrawing from his campaign to secure the Republican Presidential nomination. It throws open the question of who is to succeed Mr. Harry Gray, due to retire in five years' time as the head of UT

GIVEN chairman. Mr. Harry Gray's unsurpassed talent for corporate warfare, the last thing that United Technologies, the 20th largest U.S. manufacturing company, seemed to need was a former General heading its operations.

But to the surprise of investment analysts who follow the company. Mr. Gray last week announced that he was appointing Alexander M. Haig, until last summer Supreme Allied Commander for NATO. to be UT's chief operating officer. Mr. Gray himself, to nobody's surprise, remains both chairman and chief executive officer.

UT is signing General Haig on the rebound. Only a few days earlier he had hoisted the white flag over his campaign for the Republican Party's Presidential nomination, defeated by a crowded field of contenders on the right of the party who have spent years, building grass roots political support in the country. General Haig now disclaims further political ambitions.

While much admired in Europe for his performance at NATO, General Haig is more immediately remembered in the U.S. as the mand who held former President Nixon's hand (as White Hous eChief of Staff) in the days that led up to Mr. Nixon's resignation in the wake of the Watergate scandal.

It is by no means unprecedented for military men to retreat to the corporate boardroom. A notable example was General Douglas MacArthur, who went off to be chairman of Sperry Rand when he was fired by President Harry Truman.

But United Technologies is not just any company, and its chairman Harry Gray comes close to being a unique corporate leader. A swashbuckling enrepreneur Mr. Gray has, in a decade puctuated by sounds of clashing corporate armour as he pursued reluctant takeover victoms. built a conglomerate with sales which will have reached $10bn in 1979, and which in 1978 earned net income of $234m

The question now being asked is how General Haig will fit in to a company led by so energetic and dominant a figure as the slim and dapper Mr. Gray.

It is evident that he is being handed more than a sinecure. Only last year, for example, UT's financial officer Mr. Edward L. Hennessy quit, reportedly because he was fed up waiting for Mr. Gray to appoint him president, the job bestowed on General Haig.

President General Haig will, US says, have all the major operating division heads reporting directly to him, and through him to Mr. Gray. That includes the 49-year-old Mr. Robert J. Carlson, head of the power division which includes the vital Pratt and Whitney jet engine operation and Mr. Peter L. Scott (51) who along with Mr. Carlson has just been appointed to the board. Both men were considered to be in the running to succeed Mr. Gray who insists he will retire in five years at 65. Now the 55-year-old General Haig would appear to be in the lists.

Arguably, a shrewd company chairman, which Harry Gray is, does not interpose an outsider between himself and his top operating officers without good reason.

Last week Mr. Gray and General Haig both gave some pointers to suggest that General Haig, along with his operatiog position, will be playing a prominent role dealing with UT's external affairs, its contacts with customers, Governments and the public. Mr. Gray, for example, dwelt on the widening range of interests and responsibilities to which a giant company such as UT must respond, because of its social and economic power. General Haig, he said, brought "valuable new dimensions of experience and capability to UT." General Haig referred to his special interest in UT's now growing international business.

Certainly, the General's experience in diplomacy, military affairs, and domestic and international economics should stand the company in good stead in the context of its main lines of business.

Pratt and Whitney, one of the world's three leading jet engine builders, is the top supplier to the commercial jet market. It is facing a growing challenge from General Electric, which entered the commercial business in 1971. At a time when U.S. dominance of the market is being challenged, Pratt and Whitnel is also a strategically crucial supplier of fighter engines to the Western world. Some projections suggest that its F-100 engine, which is used in both the McDonnell Douglas F-15 and the new General Dynamics F-16, seems destined to power about half the West's jet fighters in the years ahead.

It is also an engine which has come in for public criticism because of stalling problems and other technical failings which have forced UT to mount a national public relations campaign aimed at shoring up the image of Pratt and Whitney. The problems also led the U.S. military to give GE a contract to begin developing a possible alternative.

These problems and the competitive challenge facing Pratt and Whitney were factors which contributed last year to Mr. Gray's decision to bring Mr. Carlson in from the farm equipment manufacturer, Deere, as head of the power division, to replace Mr. Bruce N. Torell.

Now, only four weeks after being quoted in Business Week as saying that he did not need a numbmer two, Mr. Gray has moved just as decisively to appoint just such a man, a move which some who know the company see as another example of his knack for quickly grabbing opportunities which present themselves.

Gray himself rose to prominence in the late 1960s when be became number three at Mr. Charles (Tex) Thornton's Litton Industries conglomerate. When he quit Litton and went to United Aircraft in 1971, the company had sales of around $2bn and had announced a $44m loss. It was heavily dependent on both the volatile aerospace and military contract markets.

Mr. Gray, however, had clearly learnt from his experience at the acquisitive conglomerate, Litton. In the past six years he has completed six major acquisitions, two of which—the purchase of Otis Elevator in 1975 and Carrier Corporation, an air condition manufacturer, last year—were btiterly contested. In addition tothe $1bn bid fo rCarrier, UA last last year also completed a $380m bid for Mostek which takes the company into the semi-conductor manufacturing business.

John Adams, head of reearch at Adams Harkness and Hill, a Boston stockbroking firm, sees the common thread in the ESE deals as diversification away from dependence on U.S. Government contracts an daerospace. He describes Gray as "a supreme opportunist who has bought the best available companies." Othere point out that al lare manufacturing companies and all leaders in their field, but agree they are not closely linked in terms of what they do.

Gray has also been lucky in his opportunism. In 1977 he lounched a $762m takeover for power engineers Babcock and Wilcox, but dropped out when J. Ray McDermott topped UT's $62.50 a share offer with a bid of $65.000. It was a B and W nuclear reactor which last year was involved in the worst-ever nuclear power accident at Three Mile Island.

However, some analysts who follow the company suggest that in the wake of the recent acquisitions, with its balance sheet weakened as a result of them, and with the U.S. economy headed for recession, Mr. Gray needs to spend more time on the company's internal affairs. They suggest that the appointment of General Haig may present him with that opportunity.

Stelux sells property stake to Filomena for US $100m

BY PHILIP BOWRING IN HONG KONG

STELUX MANUFACTURING, the Hong Kong based watch manufacturer and distributor, has sold its 52 per cent stake in its quoted property subsidary company, Mai Hon Enterprises for HK$ 487m (about U.S.$ 100m).

The buyer is Filomena, a part of the Carrian group of companies, a grouping of Chinese investors from South East Asia and Hong Kong. Stelflux is itself dominated by Thai Chinese interests. Filumena will extend its KHS 6 a share cash offer to the remaining Mai Hon shareholders.

The deal shows that despite sky high prices and the recent extension of rent control to all domestic premises, Hong Kong property is a magnet for overseas Chinese. Earlier this month a company connected with the Malaysia/Singapore based Kuok Brothers group paid a record HK$ 16,000 per square foot for a Kowloon development site.

A combination of this caiptal inflow and continued big increases in bank credit are so far sustaining the property and stock markets in boom conditions despite high interest rates and a gloomy world economic outlook.

The Mai Hon deal was prefaced last Thursday by a rush for Stelux and Mai Hon shares before the Securities Commission intervened and trading was suspended. Mai Hon's share price rose HK$1.20 to HK$3.60 before suspension, still leaving it well below the bid price. The sale will earn the troubled Stelux an extraordinary profit of HK$391m and presents its balance sheet in a strong light.

Stelux is now trading profitably, after a very difficult two years. It made HK$13.1m net in the six months ending September, plus extraordinary profits of HK$60m. In the year to March it made HK13.7m before extraordinary losses of HK$26m, and in the previous year made recurrent losses of HK$38m and extraordinary ones of HK$16m.

This year has seen a big attempt by Stelux to rationalise its activities and to strengthen its balance sheet. In January it sold its 6 per cent in Bulova Watch Company of the U.S., accepting an extraordinary loss of HK$25m. but collecting HK$50m in cash. In August it sold its 61 per cent stake in Hong Kong Metropolitan Bank, a smal local bank, to the Bank of Credit and Commerce International (BCCI) for HK$120m. The Bulova and Bank sales raised small sums compared with what it has now collected from its sale of 52 per cent of a company with net book assets of HK$181m and profits last year of HK$36m.

Stelux is buying an industrial building and a site back from Mai Hon for HK96m, but otherwise it remains to be seen what it will do with the cash it will receive. Net assets per share will now be HK$7.56 compared with a pre-suspension price of HK$4.40.

With much of that in cash, Stelux could be an interesting share for those who believe that now is a good time to be liquid, and that Hong Kong's amazing property prices can in the end only be underpinned if companies like Stelux are successful manufacturers.

Fuqua sees earnings upsurge

FUQUA INDUSTRIES expects 1979 earnings to be more than double the $30m, or $2.25 a share, earned in 1978, said Mr. Fuqua, the chairman.

Mr. Fuqua said 1979 earnings should be about $65m, or $5 a share. Sales should increase by about 30 per cent over last year to $2.2bn from $1.6bn.

In 1980, he said, "we'll be happy to hold our own—there are a lot of uncertainties in the economic outlook."

The chairman expects sales of the company's lawn mower and photofinishing business to increase by about 25 per cent in 1980. Petroleum operations will do "very well" and "we'll have good pick-up in the sporting goods business," he said.

Mr. Fuqua plans to speak in Peking this spring with Chinese manufacturers and trading companies about making sporting goods and other items to Fuqua's specifications. Fuqua wants to establish joint ventures with the Chinese taking advantage of China's cheap labour supply and plans to open a buying office in Peking. He said he won't know until mid-1980 how much money Fuqua will want to invest in these ventures.

Fuqua also remains interested in buying a consumer goods company with an international name which can be used to market the company's own products abroad.

"We think the opportunities for economic growth will be much greater in the next decade in other parts of the world than in the U.S." the chairman said. "The developing nations are coming up rapidly particularly those with oil and other natural resources."

AP-DJ

U.S. steel output to fall

UNITED STATES STEEL CORPORATION said it expects 1980 industry steel shipments of 90m tons, down from the 98m tons it expects for all of 1979.

Mr. James Hill, vice-president and general manager of the central steel division, said the industry should ship about 43m tons in the first half of 1980. Earlier, Inland Steel Company said it expected 1980 industry output of 96m to 98m tons with 49m tons being shipped in the first half.

Mr. Hill told a Press luncheon that the 1980 estimate is based on U.S. Steel's view of the market considering the price of money and its position in supplying the auto market although he added: "I would hope Inland's right."

Mr. Hill said that the central division has seen some signs of a pick-up in automotive orders. He said that the first quarter order entry rate is up 9 to 11 per cent, but is still substantially below last year's level. He said a very gradual improvement is expected from autos in 1980.

He attributed the improvement to both inventory build and some real pick-up in the automotive business.

Mr. Hill said that orders from the appliance industry are holding up better than expected with first quarter bookings at about the same level as a year ago. He said that the central division's slump in the fourth quarter was due to the drop in new car sales, strikes at three farm and construction machinery manufacturers and customer inventory liquidation.

Overall, the central division is "well positioned to serve the competitive steel market in 1980," Mr. Hill said.

He noted that the expected improvement is due to continued strength in the transportation market and added that construction industry strength should last through the first half of 1980.

Last month U.S. Steel said it would close certain operations that were "non-competitive" and affirmed an "all-out effort" to improve productivity and quality at others. Mr. Hill said the company's Gary, Indiana facility, which has been unprofitable for several years, is expected to cross into the profit column in 1980 although it will not be profitable for the whole year.

Reuter

Conrad Black lifts FP offer

By Robert Gibbens in Montreal

THE CONRAD BLACK group has made a counter-offer for FP Publication, publishers of the Toronto Globe and Mail and several other newspapers, and with major interests in printing. Black group sources confirmer that its bid has been increased from the previous C$100m but details were not revealed.

Mr. Howard Webster, the chairman of the Globe and Mail outbid the first offer by the Black group. He controls 48 per cent of the FP share capital and 22.5 per cent of the votes.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alex Howden XW 9¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australian Res. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Avco O/S Cap. 10¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beneficial Fin. 9¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA Gr. Rate 10¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Pacific 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Carter Hawley 9¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comalco Inv. E. 10¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Continental Grp. 9¾ 85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dome Petroleum 10 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dominion Bridge 10¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dow Chem. O/S 9¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 9¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 10 99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 10¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 10.15 99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Export Dv. Cpn. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Export Dv. Cpn. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GTE Finance 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GTE Finance 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gould Int. Fin. 9¾ 85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hudson Bay Co. 10 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ITT Antilles 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kennecott Int. 9¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manitoba 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Michelin 10 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nat. Des. Telecom. 9¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Brunswick 9¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Newfoundland 10 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nova Scotia Pwr. 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Occidental Fin. 10¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Orient Leasing 9¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pennwalt O/S F. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepsico Cap. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 10 99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sears Roebuck 8 82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Statoil 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 9¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 9¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unilever NV 9¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Warner-Lambert 9 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Argentina 7½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian Dev. Bk. 7½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Banco Desarrollo 7¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays O'seas 6¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brazil 8 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 7 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Council of Eur. 7¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EEC 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eletrobras-Brazil 7 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofima 8½ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kobe, City of 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi Chem. 6½ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Neder. Gasunie 8 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand 7¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Kokan 6¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Tel. & T. 6½ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm. 7½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm. 8½ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway 6¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 6¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Elec. Pwr. 6¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 7¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aumar 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria 4½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bergen, City of 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ENDE 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BMW Overseas 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Caisse Nat. Tele. 4¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada 3¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copenhagen 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Council of Eur. 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 4¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elec. de France 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GZB 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hilti 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI Fin. NV 3¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int.-Amer. Dev. 4¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Malaysia 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Tel. & T. 4¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nordic Bank 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm. 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shikoku El. Pwr. 4¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain 4 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stewoag 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voest-Alpine 4¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 4¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 4¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 4¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.93
Australia 6¾ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.20
EIB 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.99
Finland 5.6 83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.10
Finland 6.8 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.81

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¾ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.11
Bell Canada 10¾ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.22
Cr. Foncier 10¾ 84 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.17
Ex. Dev. Cpn. 10 84 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.28
Fst. Can. Inv. 10 84 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.60
Hudson Bay 10¾ 89 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.32
Quebec 10¾ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.30
R. Bk. Canada 10 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.67
R. Bk. Canada 10 84 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.10
Copenhagen 8¾ 91 EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.37
Copenhagen 8¾ 91 EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.77
SOFTE 9¾ 89 EUA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.98
Algemene Bk. 8¾ 84 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.01
Amev 8¾ 86 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.94
Ned. Middbk. 8¾ 84 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.34
Norway 8¾ 84 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.43
Norway 8¾ 84 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.24
Rabobank 8 84 Fl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.92
Air France 11 84 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.47
Euratom 9¾ 87 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.72
Finland 11 84 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.12
Finland 11¾ 88 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.41
Gaz de France 11 84 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.58
Norway 9¾ 84 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.42
Renault 9¾ 85 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.49
Saint-Gobain 9¾ 86 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.06
Solvay et Cie 9¾ 87 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.34
Total Oil 9¾ 87 FFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.05
EIB 11¾ 91 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.67
Finance for Ind. 13 91 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.83
Fin. for Ind. 12¾ 89 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.96
Gen. Elec. Co. 12¾ 89 £	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.94
Indonesia 8¾ 91 KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.66
Mitsubishi 7¾ 84 KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.68
Mitsui 7¾ 84 KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.50
Occidental 8¾ 91 KD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.66
Akzo 9¾ 87 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.10
Euratom 8 87 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.73
Oslo, City of 8 88 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.56
Volvo 9¾ 87 LuxFr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.00

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 6 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.77
Banco Prov. BA 7¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.91
Banco Urquijo 6 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.74
Bank of Ireland 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.15
Bank of Tokyo 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.46
Bergen Bk. A/S 6 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.97
Bque. Indo Suez 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.22
BNP 5¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.31
Citicorp O/S F. 6 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.60
Citicorp O/S F. 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.20
Citicorp O/S F. 6 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.76
Co-operative Bk. 8 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.35
Creditanstalt 5¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.16
CNT 5¾ 86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.28
GZB 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.33
Ind. Bank Japan 5¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.82
LTCB Japan 5¾ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.69
LTCB Japan 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.58
Mrs. Han. O/S 5¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.48
Nacional Fin. 5¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14.02
Nat. West. 5¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.84
Nippon Cred. Bk. 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.30
Royal Bk. Scot. 5¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.20
Soc. C. de Sque. 5¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.15
Sweden 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.73
Sweden 8¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.20
TVO Pwr. 9 91 (D-lock)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.38
Utd. Overseas Bk. 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.71
Williams & Glyn 5¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.31
Sg. E. d'Alg. 4¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	13.42
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.96

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-9.41
Alco Int. Fin. 9¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15.16
Asahi Optical 7 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.14
Canon 6¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2.91
Ciba-Geigy O/S F. 4 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-3.57
Credit Suisse 4¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2.31
Daiei Inc. 6¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.10
Fujitsu 5¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-5.00
Hitachi Cable 5¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-3.01
Honda Motor 5¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.52
LPC Internat. 8 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21.93
Makita Elec. 7 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.36
Minolta Camera 5 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.85
Mitsubishi Cp. 6¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	77.71
Nippon Seiko 7¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.15
Nitto Elec. Ind. 6¾ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.35
Toshiba Cpn. 7¾ 94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	16.30
Union Bk. Switz. 5 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	53.77
Fujitsu 5 86 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	56.36
Kansai Elec. 4 84 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	24.92
Mitsubishi Cp. 5 85 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ricoh Co. 5 85 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Uny Co. 6¾ 86 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BONDTRADE INDEX AND YIELD

	Medium term		Long term	
Dec. 28 ...	—	—	—	—
Dec. 21 ...	91.02	10.29	91.20	11.07
High '79...	95.75	(1/2)	89.99	(30/1)
Low '79 ...	90.02	(5/11)	80.50	(5/11)

EUROBOND TURNOVER (nominal value in $m)

	Cedel	Euroclear
U.S. $ bonds		
Last week	407.4	1,363.4
Previous week ...	1,722.9	1,961.4
Other bonds		
Last week	133.2	180.5
Previous week ...	247.4	283.8

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondtrade; Banque Francaise de Credit International; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co.; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on December 31.

AUSTRALIAN TAKEOVER REFORM

The rules go off the rails

BY JAMES FORTH IN SYDNEY

The Australian stockmarket re-opens today to a new set of takeover rules, introduced from December 31 by the Australian Associated Stock Exchanges, in advance of proposed Federal legislation. But an anomalous situation has arisen, with two states, Western Australia and Queensland, having introduced takeover legislation of their own—at least a year before the national legislative reforms can be made fully effective

AUSTRALIA'S long-standing attempts to reform on a national basis the legislation governing company takeovers has gone off the rails. Two States, Queensland and Western Australia have taken individual action and enacted new State takeover legislation at least 12 months before the scheme could be fully operational on a national basis. The anomalous situation has now arisen where a totally different set of ground rules apply in two States.

Moreover, the Queensland and Western Australian legislation itself differs in one important aspect — the "threshold control" of the percentage stake in a company which triggers the requirement for a takeover offer. The existing takeover provisions of the Companies Act do not have a control threshold, but the new legislation envisages a threshold of 20 per cent.

A buyer can gradually acquire shares beyond this point — at the rate of 3 per cent every six months. The alternatives are to make a formal takeover offer, or an "on-market" offer which involved standing in the sharemarket for one month and accepting all shares offered. Once an on-market bid has been announced it cannot be withdrawn. Western Australia has adopted the 20 per cent threshold in its legislation but Queensland has dropped the threshold down to 12.5 per cent. Both WA and Queensland intend to adopt the national legislation when it is finally enacted, but in the meantime there is now greater disuniformity than ever existed in the past. In fact, there was almost uniformity in the past, and the various State companies Acts were described officially as "uniform." But the potential always existed for the States to go their own way, as has now happened with Queensland and WA. Over the past 15 months or so the Commonwealth and State ministers have been working on proposals for reform of the Companies and Securities Industry Act. It was decided that to ensure uniformity the Commonwealth would enact legislation and the states would then pass enabling legislation, so that the Comonwealth legislation and the States would in each State.

The changes proposed for the regulation of company takeovers were so sweeping that it was decided to introduce separate takeover legislation. Moreover, a new national corporate "watchdog" is to be established. The National Companies and Securities Commission, which will sit on top of the various state corporate affairs commissions. The Takeovers Bill was introduced into the Federal Parliament last month, but will not be considered until the autumn session next year. Enabling legislation then has to be passed by all the state Governments. Moreover, the NCSC is still in the throes of formation. The chairman and commission members have yet to be appointed, although a management consultancy is working on this aspect. The companies and securities industry legislation is still in the drafting stage. It is thought that the earliest the changes could be introduced nationally is January, 1981.

Queensland and WA however, became impatient. The reason is the extraordinary surge of company takeover activity in Australia over the past six months, including a number of major takeovers which would have been unthinkable a year or two ago. They include an A$210m bid by Western Mining Corporation for the mining and investment house, BH South, easily the largest takeover attempt in Australia until it was dwarfed by the A$440m takeover of Thiess Holdings, the Queensland coal, construction and motor vehicle group, by CSR, the industrial and mining concern.

Other dramatic takeover episodes include the drawn out struggle for control of the airline, transport and television group, Ansett Transport Industries which was finally won by News Corporation, the Press group, after a short lived attempt by News to gain control of the country's largest Press group, Herald and Weekly Times, failed. There has, at the same time, been a host of other takeovers, ranging from small to medium to large, and it has troubled some of the states, particularly Queensland and WA. There has been a strong backlash at the prospect of control of companies registered in these states, which are regarded as "home" companies, transferring to another state. The Thiess-CSR clash was particularly bitter, and the chairman, Sir Leslie Thiess tried to persuade Mr. Joh Bjelke-Petersen, the Queesnland Premier, to step in. Ironically, this action stampeded Thiess shareholders and assisted CSR to obtain control. Mr. Bjelke-Petersen was sympathetic but declined to act. Considerable pressure was applied, however, by business interests in the state, including a group of seven prominent Queensland business leaders, who put together an open letter urging protection of Queensland companies, and suggesting that a limit of 12.5 per cent be applied to the taking of shareholdings in these companies.

Alarmed, the stock exchanges attempted to head off unilateral action from Queensland and WA, by offering to amend the exchange's listing requirements to reflect the proposed new national legislation. The exchanges would then have attempted to enforce these listing requirements. It is doubtful this would have worked, because most companies presented with the choice would have opted to comply with the existing state laws, rather than the spirit of the new legislation embodied in the stock exchange listing requirements. In any case Queensland and WA ignored the exchanges and passed their legislation. The exchanges have responded by amending their listing requirements, nevertheless, to "harmonise" with the proposed national legislation. Except for the lower control threshold adopted by Queensland the legislation follows that which is contained in the National Bill. The exchanges still require the approval of each state corporate affairs commission to their proposed amendments, and then they will try to enforce the listing requirements ahead of the law of the land. As if this is not confused enough the exchanges would also need to come to grips with the different control thresholds applying in Queensland and WA. There is one other aspect of the legislation passed by the two rebel states which is worrying many observers. The national legislation proposes sweeping powers for the NCSC to grant exemptions, on a case-by-case basis, to any provisions in the takeovers legislation. Because the NCSC is yet to be formed, these powers are conferred on the relevant minister in Queensland and WA.

The dangers are obvious. Moreover, it is an area where there is likely to be strong pressure for political intervention to grant various exemptions, to hold off marauders from across the state borders. The officials who have worked hard to put the regulation of the companies and securities industries on a genuinely national basis are dismayed at the swift disintegration which has occurred. They can only cross their fingers and hope that the other States do not feel compelled to push through legislation of their own which could result in a complete breakdown of the national "co-operative federalism" approach.

Further issue of Dead Sea Works shares

By L. Daniel in Tel Aviv

MORE SHARES of the Israeli Government - controlled Dead Sea Works are to be sold to the public, to increase the proportion of privately held shares from the present 9 per cent to 20 per cent. This will help the Government to finance the company's $260m expansion programme. The Dead Sea Works is one of the few Israeli industrial enterprises relying entirely on local raw materials (such as potash, bromine, manganese). Exports account for over 90 per cent of its output.

The company has steadily improved its profits since 1973-1974. Net earnings in 1978 came to I£298m (equivalent to 20 per cent of sales). The 1978 adjusted gross dividend was 27 per cent in addition to a stock dividend of 25 per cent. The company's paid-up share capital is I£300m.

Cultus Pacific sells Alliance Oil stake

By Christine Moir

CULTUS PACIFIC, an Australian exploration group, has sold the 17 per cent stake it built up in Alliance Oil Development, another Australian company in the same field.

Cultus built up its stake in opposition to the proposed share exchange deal whereby Weeks Petroleum, a Bermuda-based exploration group, obtained 30 per cent of Alliance, and Alliance got 2.1 per cent of Weeks.

The share exchange ultimately went through, and Cultus has now sold its 7.34m shares and 150,000 options in Alliance for A$3.046m, which represents a A$1m profit for the group. The shares are believed to have been placed with institutions.

Malaysian timber group cuts dividend

By Wong Sulong in Kuala Lumpur

TRADING PROFIT of Southeast Asian Lumber Corporation, the Malaysian timber and plywood manufacturer, for the year ending June rose 84 per cent to 6.4m ringgit (U.S.$2.9m), but the group is cutting its dividend from 6 per cent to 2 per cent.

Lok Kim Foh, the chairman, said that the group was undergoing a major expansion programme, to take advantage of the current timber boom.

Apart from one subsidiary, which was not able to carry out logging due to the closure of the forest concession to facilitate security operations against Communist guerrillas, the group said, all companies performed "very well" during the year.

Pakistan sets up State enterprise mutual fund

BY IQBAL MIRZA IN KARACHI

THE Investment Corporation of Pakistan is to float a state enterprise mutual fund for Rs 200m, extendable to Rs 280m ($28m), for subscription by both resident and non-resident Pakistanis.

Mr. D. M. Qureshi, managing director of the Investment Corporation of Pakistan, said in Karachi that Pakistan's receipt of remittances from overseas residents made it logical to find avenues for profitable use of the cash inflow involved.

The annual remittances through official channels amounted to Rs 15bn, and an equal amount was sent through unofficial channels. The fund was being established with a view to providing oportunities for resident and non-resident Pakistanis to share in the growth and profits of some of the highly profitable nationalised companies.

Mr. Qureshi said that the fund guarantees a minimum dividend of 15 per cent a year to investors, underwritten by the Government.

MINING NEWS

Gold shares up 90% in 1979

BY KENNETH MARSTON, MINING EDITOR

THE RENEWED strength of gold, which closed 1979 at a record price of $526.50 per troy ounce, made little impact at first on Monday's market in South African gold shares. Business was subdued by the closure of the Cape and Continental markets, but later in the day it picked up when good U.S. buying developed.

The demand came too late to avoid a 1.4 fall on the day in the Gold Mines index which closed the year at 268.6. Even so, this figure was 89.8 per cent up on that at the end of 1978.

The highest point of the index in 1979 was on December 27 when it reached 276.4, its best since 279.9 on September 17, 1975. The all-time high for the index was of 442.3 which was attained on May 23, 1975, when gold stood at $174.50.

Over the past year the gold price has advanced 132.5 per cent from $226.375 at the end of 1978. The main reason why share prices, as measured by the index, are still well below the 1975 peak levels, is that the advance in operating costs over the period has eroded much of the benefits to earnings of the rising gold prices.

Even so, costs have been remarkably well maintained in the past year and although the mines are now milling a larger proportion of lower grade ore, they are still boosting earnings and dividends.

This should be underlined by the 1979 December quarterly profits from the gold mines. The first of these, from the mines in the Consolidated Gold Fields group, are due to be published on January 9.

They look like being based on a gold price of just over $400 compared with $315 in the 1979 third quarter, $260 in the second quarter and $240 in the first quarter. The average price for 1978 was only $194.

SOUTHERN KINTA

The Malaysian Southern Kinta Consolidated reports that an agreement has been concluded between the company's subsidiary and Kampong Lanjut Tin Dredging whereby SKC would hire a dredge for 14 years from KLTD to work part of SKC's land at Bernam section.

It is planned that the dredge will start mining operations at Bernam towards the end of 1981. Together with a third dredge at Bernam it is expected that the Southern Kinta annual group production will be maintained at about the current level despite the declining output at Takuapa section in Thailand.

Guyana raises bauxite target

THE Guyanese bauxite industry has set itself the target of some £110m in export earnings for 1980, reports our Georgetown correspondent.

This is expected to result from anticipated production of 850,000 tons of metal grade and chemical grade bauxite, 800,000 tons of calcined bauxite and 475,000 tons of alumina, benefiting from expected continuing rises in prices of the products.

This was announced by Mr. Haslyn Parris, chairman and chief executive officer of the state-owned Guyana Mining Enterprise (Guymine). He gave no figures for 1979 but it is believed that the year's export earnings had been targeted at some £75m but were affected by a five-week strike which caused a loss of close to £8m.

GOLDEN GROVE'S AMAD PLACING

Australia's Golden Grove Mining is acquiring 68.5 per cent of Amad, the exploration company which was part of the Hartogen group. A placement of Amad shares is to be made in London and Australia during late-February or early-March.

The reconstructed Amad, as Golden Grove's quoted exploration vehicle, will own 50 per cent of Golden Grove's Warramboo Mining prospecting arm. Amad will be used to raise funds required for Warramboo's exploration activities which include gold and base-metal claims.

This method of financing Warramboo will avoid the need for further issues of Golden Grove shares. As a result holders of Golden Grove should avoid any dilution of their interest in cash flows which may be generated by Golden Grove's 6.5 per cent free carried interest in the West Australian copper prospect of that name.

The prospect has so far been indicated to hold some 13m tonnes of ore grading 3.6 per cent copper. It is being managed by Esso Exploration which can earn a 31.16 per cent interest by completing the next stage of exploration at a total cost of A$6m (£2.97m). Amax and Electrolytic Zinc of Australasia also have a 31.16 per cent stake each in the discovery.

CURRENCIES, MONEY and GOLD

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on December 31, 1979. In some cases rates are nominal. *Market rates* are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (or) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	79.75
Albania	Lek	10.20
Algeria	Dinar	8.5275
Andorra	French Franc	8.925
	Spanish Peseta	146.725
Angola	Kwanza	68.685
Antigua (S)	E. Caribbean $	6.00
Argentina	Ar. Peso Free Rate	3,600
Australia (S)	Australian $	2.0095
Austria	Schilling	27.65
Azores	Portug. Escudo	110.625
Bahamas (S)	Ba. Dollar	2.2200
Bahrain (S)	Dinar	0.839
Balearic Isles	Spa. Peseta	146.725
Bangladesh (S)	Taka	34.52
Barbados (S)	Babados $††	4.4500
Belgium	B. Franc	(com) 62.225
		(fn) 64.50
Belize	B $	4.4500
Benin	C.F.A. Franc	447.15
Bermuda (S)	Bda $	2.2200
Bhutan	Indian Rupee	17.75
Bolivia	Bolivian Peso	53.95
Botswana (S)	Pula	1.8385
Brazil	Cruzeiro ‡‡	94.30
Brit. Virgin Isles (S)	U.S. $	2.2200
Brunei (S)	*Brunei $*	4.8130
Bulgaria	Lev	1.8400
Burma	Kyat	14.9675
Burundi	Burundi Franc	198.175
Cameroon Repub'c	C.F.A. Franc	447.15
Canada	Canadian $	2.59325
Canary Islands	Spanish Peseta	146.725
Cape Verde Isle	Cape V. Escudo	81.05
Cayman Islands (S)	Cay. Is. $	1.8310
Cent. Af. Repub	C.F.A. Franc	447.15
Chad	C.F.A. Franc	447.15
Chile	C. Peso	(Bk) 86.67
China	Ranminbi Yuan	3.3427
Colombia	C. Peso	(F) 97.63
Comoro Islands	C.F.A. Franc	447.15
Congo (Braz'ville)	C.F.A. Franc	447.15
Costa Rica	Colon	19.10
Cuba	Cuban Peso	1.66385
Cyprus (S)	Cyprus £	0.7665
Czechoslovakia	Koruna	(com) 11.30
		n/c 22.46
		(T) 19.67
Denmark	Danish Krone	11.91
Djibouti	Fr.	370.0
Dominica (S)	E. Caribbean $	6.00
Dominican Repub	Dominican Peso	2.2200
Ecuador	Sucre	(O) 52.28
		(F) 60.63
Egypt	Egyptian £	(U) 1.5550
Equatorial Guinea	Peseta	146.725
Ethiopia	*Ethiopian Birr*	(P) 4.6005
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	11.91
Fiji Islands	Fiji $	1.8680
Finland	Markka	8.35625
France	French Franc	8.925
French C'tyin Af*	C.F.A. Franc	447.15
French Guiana	Local Franc	8.925
French Pacific Is.	C.F.P. Franc	166.95
Gabon	C.F.A. Franc	447.15
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	3.83
Germany (West)	Deutsche Mark	3.83
Ghana (S)	Cedi	6.06
Gibraltar (K)	*Gibraltar £*	1.0
Greece	Drachma	85.388

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Greenland	Danish Kroner	11.91
Grenada (S)	E. Caribbean $	6.00
Guadaloupe	Local Franc	8.925
Guam	U.S. $	2.2200
Guatemala	Quetzal	2.2200
Guinea Republic	Sily	41.80
Guinea Bissau	Peso	74.65
Guyana (S)	Guyanese $	5.6610
Haiti	Gourd	11.10
Honduras Repub	Lempira	4.4600
Hong Kong (S)	H.K. $	10.9925
Hungary	*Forint*	(com) 77.50
		(T)(nc) 44.17
Iceland (S)	I. Krona	878.75
India (S)	Ind. Rupee	17.75
Indonesia	Rupiah	1,390.60
Iran	Rial	n/a
Iraq	Iraq Dinar	0.6585
Irish Republic (k)	Irish £	1.0373
Israel	Israel £	78.55
Italy	Lira	1,784.5
Ivory Coast	C.F.A. Franc	447.15
Jamaica (S)	Jamaica Dollar	3.9680
Japan	Yen	532.25
Jordan (S)	Jordan Dinar	0.642
Kampuchea	*Riel*	2,664.0
Kenya (S)	Kenya Shilling	16.2250
Kiribati	Australian $	2.0095
Korea (Nth)	Won	1.879(II)
Korea (Sth)	Won	1,079.32
Kuwait (Sth)	Kuwait Dina	0.607
Laos	Kip Pot Po	890.00
Lebanon	Lebanese £	7.7430
Lesotho	S. African Rand	1.8390
Liberia	Liberian $	2.2200
Libya	Libyan Dinar	0.6570
Liechtenstein	Swiss Franc	3.54
Luxembourg	Lux Franc	62.225
Macao	Pataca	11.80
Madeira	Portug'se Escudo	110.625
Malagasy Republic	*MG Franc*	447.15
Malawi (S)	Kwacha	1.750
Malaysia (S)	Ringgit	4.8700
Maldive Islands (S)	Mal Rupee	8.7440
Mali Republic	Mali Franc	892.60
Malta (S)	Maltese £	0.7665
Martinique	Local Franc	8.925
Mauritania	Ouguiya ‡	90.45
Mauritius (S)	M. Rupee	16.95
Mexico	Mexican Peso	50.75
Miquelon	C.F.A. Franc	447.15
Monaco	French Franc	8.925
Mongolia	Tugrik	(o) 6.2580(II)
Monserrat	E. Caribbean $	6.00
Morocco	Dirham	8.19
Mozambique	Moz. Escudo	68.55
Nauru	Australian Dollar	2.0095
Nepal	Nepalese Rupee	26.70
Netherlands	Guilder	4.22
Netherland Antilles	Antillian Guilder	3.9735
New Hebrides	Franc.	145.45
	Aust. Dollar	2.0095
New Zealand (S)	N. Z. Dollar	2.2560
Nicaragua	*Cordoba*	22.25
Niger Republic	C. F. A. Franc	447.15
Nigeria (S)	Naira	1.236247 (sg)
Norway	Norway Krone	10.9425
Oman Sul'ate of (S)	Rial Omani	0.768
Pakistan	Pakistan Rupee	21.88
Panama	Balboa	2.2200
Papua N. Guinea (S)	*Kina*	1.5330
Paraguay	Guarani	274.59

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.7600
Peru	Sol	exc(A) 551.00
Philippines	Philippine Peso	16.55
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	2.2580
Poland	Zloty	(Cm) 66.00
		(T) 66.00
Portugal	Portugu'se Escudo	110.625
Port Timor	Timor Escudo	110.625
Puerto Rico	U.S. $	2.2200
Qatar (S)	Qatar Ryal	8.25
Reunion Ile de la	French Franc	8.925
Rhodesia	Rhodesian $	1.4950
Romania	Leu	(Cm) 9.57
		(c/c) T25.15
Rwanda	Rwanda Franc	202.60
St. Christopher (S)	E. Caribbean $	6.00
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	6.00
St. Pierre	C.F.A Franc	447.15
St. Vincent (S)	E. Caribbean $	6.00
Salvador El	Colon	5.60
Samoa American	U.S. $	2.2200
San Marino	Italian Lire	1,784.50
Sao To'e & Principe	Dobra	72.88
Saudi Arabia	Ryal	7.48
Senegal	C.F.A. Franc	447.15
Seychelles	S. Rupee	13.40
Sierre Leone (S)	Leone	2.2958
Singapore (S)	Singapore $	4.7990
Solomon Islands (S)	Solomon Is. $	1.9070
Somali Republic	Somali Shilling	(A) 13.40
South Africa (S)	Rand	1.8390
South West African Territories (S)	S. A. Rand	1.8390
Spain	Peseta	146.725
Spanish ports in North Africa	Peseta	146.725
Sri Lanka (S)	S. L. Rupee	34.10
Sudan Republic	Sudan £ ⊕	n/a
Surinam	S. Guilder	3.9735
Swaziland (S)	Lilangeni	1.8390
Sweden	S. Krona	9.22125
Switzerland	Swiss Franc	3.54
Syria	Syria £	(A) 8.7360
Taiwan	New Taiwan	(P) 79.90
Tanzania (S)	Tan. Shilling	18.35
Thailand	Baht	45.10
Togo Republic	C.F.A. Franc	447.15
Tonga Islands (S)	Pa'anga	2.0095
Trinidad (S)	*Trinidad & Tob' $*	5.3280
Tunisia	Tunisian Dinar	0.865
Turkey	Turkish Lira	105.33
Turks & Caicos	U.S. $	2.2200
Tuvalu	Australian $	2.0095
Uganda (S)	Uganda Shilling	16.00
United States	*U.S. Dollar*	2.2200
Uruguay	Uruguay Peso	(cm) 18.73
		(fn) 18.54
Utd. Arab Emirates	U.A.E. Dirham	8.35
U.S.S.R.	Rouble	1.4080
Upper Volta	C.F.A. Franc	447.15
Vatican	Italian Lire	1,784.50
Venezuela	*Bolivar*	9.5400
Vietnam	Dong	(O) 4.85
		(T) 4.60(I)
Virgin Islands U.S.	U.S. Dollar	2.2200
Western Samoa (S)	Samoan Tala	1.9800
Yemen	Ryal	10.05
Yugoslavia	New Y Dinar	42.0261
Zaire Republic	*Zaire*	4.510859
Zambia	Kwacha	1.70

* That part of the French community in Africa formerly French West Africa or French Equitorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 93.25. ** Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and so are not members of IMF. (§) Based on gross rates against Russian rouble. ⊕ Incentive rate.

UK MONEY MARKET

Large help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave large assistance by buying a moderate amount of Treasury bills from the discount houses and a small number of local authority bills. The Bank of England also lent a small amount to three or four houses at Minimum Lending Rate until today.

There was a moderate decrease in the note circulation, and Government disbursements exceeded revenue payments to the Exchequer. But these were outweighed by small run down balances brought forward by the banks; a moderate net take-up of Treasury bills; repayment of the small loans made to the market on Friday; and small end of month oil settlements.

Discount houses paid 16 per cent for secured call loans in the early part, with up to 17 per cent paid during the day. Rates closed at around 16 per cent.

EXCHANGES AND BULLION

Quiet trading

Trading was subdued in currency markets yesterday ahead of the new year, with sterling easing slightly and the U.S. dollar also showing a marginal overall loss. The pound opened weaker, as a strike by steel workers seemed certain, and against the dollar it was quoted at $2.2190-2.2210. Trading was thin and sterling traded within a range of $2.2170-2.2290, and closed at $2.2190-2.2210, a fall of 1.45c from Friday. On Bank of England figures, its trade weighted index fell to 70.2 from 70.3, having stood at 70.1 at noon.

The dollar showed little movement and closed at DM 1.7250 against the D-mark, compared with DM 1.7240 previously, and SwFr 1.5950 against SwFr 1.5925 in terms of the Swiss franc. The U.S. unit eased a little against the Japanese yen to Y239.75.

Gold rose in nominal trading to finish at $525-528, a rise of $16½ an ounce and its highest closing level ever. There was no afternoon fixing but the metal was fixed at $524.00 in the morning.

THE POUND SPOT AND FORWARD

Dec. 31	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2170-2.2290	2.2190-2.2210	0.46-0.40c pm	2.32	1.26-1.20 pm	2.22
Canada	2.5915-2.6060	2.5915-2.5950	0.67-0.57c pm	2.87	1.88-1.78 pm	2.82
Nethlnd.	4.21-4.25½	4.21¼-4.22¼	2¼-1¾c pm	4.62	5¼-4¼ pm	4.50
Belgium	62.10-62.55	62.15-62.30	20-10c pm	2.89	45-35 pm	2.57
Denmark	11.90-11.96	11.90¼-11.91¼	¼-2¼ore dis	−1.57	3-5 dis	−1.34
Ireland	1.0365-1.0400	1.0368-1.0378	0.07-0.17p dis	−1.39	0.18-0.28dis	−0.89
W. Ger.	3.82-3.86½	3.82½-3.83½	3½-2½pf pm	8.62	8¼-7¼ pm	7.98
Portugal	110.00-111.00	110.45-110.80	par-50c dis	−2.71	10-110 dis	−2.17
Spain	146.50-147.50	146.60-146.85	25-75c dis	−4.09	55-155 dis	−2.86
Italy	1780-1792	1783-1785	2½-4½lire dis	−2.35	8-10 dis	−2.02
Norway	10.93-10.98	10.93½-10.95	4½-2½ore pm	3.84	12-10 pm	4.02
France	8.90-8.97	8.91-8.94	2½-1½c pm	2.86	6¼-5¼ pm	2.52
Sweden	9.21-9.25½	9.21½-9.22½	3-1ore pm	2.60	6½-4½ pm	2.39
Japan	530-537	531¼-533¼	4.15-3.80y pm	8.96	10.70-10.35pm	7.91
Austria	27.50-27.80	27.60-27.70	20-10gro pm	6.51	65-55 pm	8.68
Switz.	3.52½-3.56½	3.53½-3.54½	4-3c pm	11.86	10-9 pm	10.73

Belgian rate is for convertible francs. Financial franc 64.45-64.55. Six-month forward dollar 2.20-2.13c pm. 12-month 4.50-4.40c pm.

THE DOLLAR SPOT AND FORWARD

Dec. 31	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2170-2.2290	2.2190-2.2210	0.46-0.40c pm	2.32	1.26-1.20 pm	2.22
Ireland†	2.1425-2.1455	2.1430-2.1450	0.70-0.60c pm	3.64	1.85-1.75 pm	3.36
Canada	1.1700-1.1715	1.1706-1.1712	0.05-0.02c pm	0.36	0.21-0.18 pm	0.57
Nethlnd.	1.8990-1.9040	1.8985-1.9035	0.40-0.30c pm	2.21	1.10-0.95 pm	2.16
Belgium	28.00-28.10	28.01-28.06	3-1c pm	0.86	5-2 pm	0.50
Denmark	5.3730-5.3770	5.3735-5.3760	1.35-1.85ore dis	−3.57	3.90-4.40dis	−3.09
W. Ger.	1.7240-1.7290	1.7245-1.7255	0.95-0.85pf pm	6.26	2.53-2.43 pm	5.75
Portugal	49.70-49.90	49.75-49.85	15-25c dis	−4.82	45-75 dis	−4.82
Spain	66.02-66.14	66.02-66.07	25-45c dis	−6.36	75-105 dis	−5.45
Italy	803.50-805	803-804	2.50-4.50lire dis	−5.23	7.50-11 dis	−4.60
Norway	4.9270-4.9335	4.9275-4.9325	0.80-0.30ore pm	1.34	2.75-2.25 pm	2.03
France	4.02-4.0275	4.0200-4.0250	0.15c pm-0.05 dis	0.15	0.70-0.30 pm	0.50
Sweden	4.1500-4.1550	4.1500-4.1550	0.10ore pm-0.10 dis	—	0.25-0.05 pm	0.14
Japan	239.80-239.95	239.70-239.80	1.30-1.15y pm	6.13	3.60-3.40 pm	5.84
Austria	12.43½-12.47	12.43½-12.46½	3.25-1.25gro pm	2.17	18.50-14.50pm	5.30
Switz.	1.5940-1.5980	1.5945-1.5955	1.12-1.02c pm	8.05	3.62-3.52cpm	8.95

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Dec. 31	Bank of England Index	Morgan Guaranty changes %
Sterling	Unavail.	−56.0
U.S. dollar	"	−8.0
Canadian dollar	"	−17.2
Austrian schilling	"	+23.5
Belgian franc	"	+15.7
Danish kroner	"	−2.1
Deutsche mark	"	+46.5
Swiss franc	"	+82.2
Guilder	"	+21.0
French *franc*	"	−4.8
Lira	"	−49.7
Yen	"	+16.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Dec. 28	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.591166	0.646898
U.S. $	12	1.31830	1.44286
Canadian $	14	1.54597	1.69320
Austria Sch	3¾	16.3258	17.8698
Belgian F	10½	36.8893	40.3568
Danish K	11	7.04961	7.72146
D Mark	6	2.27143	2.48677
Guilder	9½	2.50609	2.73783
French Fr	9½	5.29957	5.80462
Lira	15	1060.34	1160.06
Yen	6¼	316.128	345.637
Norwgn. Kr.	9	6.51636	7.11186
Spanish Pts.	8	87.2042	95.4091
Swedish Kr.	9	5.46633	5.98787
Swiss Fr.	2	2.10401	2.30136

GOLD

	December 31		December 28	
Gold Bullion (fine ounce)				
Close	$525-528	(£236-237½)	$509-511	(£227¾-228¾)
Opening	$525-528	(£236¼-237¾)	$513-515	(£229½-229½)
Morning fixing	$524.00	(£235.189)	$515	(£230.528)
Afternoon fixing	...	...	...	...
Gold Coins				
Krugerrand	$545-549	(£244-247)	$528-530	(£236-238)
Mapleleaf	$540-545	(£242-245)	$524-527	(£233-236)
New Sovereigns	$136-137	(£61-62)	$131-132	(£58½-59½)
King Sovs	$147-150	(£66-67½)	$144-147	(£64¼-65¾)
Victoria Sovs.	$147-150	(£66-67½)	$144-147	(£64¼-65¾)
Fr 20 Napoleon	FFr505-520	(SFr200-205)	FFr500-515	(SFr198-203)
50 pesos Mexico	$653-655		$638-641	
100 Cor. Austria	$510-513		$500-505	
$20 Eagles	$600-610		$590-600	
$10 Eagles	...		...	
$5 Eagles	...		...	

EXCHANGE CROSS RATES

Dec. 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.220	3.830	532.3	8.928	3.540	4.220	1785.	2.593	62.23
U.S. Dollar	0.450	1.	1.725	239.8	4.020	1.595	1.901	803.8	1.168	28.03
Deutschemark	0.261	0.580	1.	139.0	2.330	0.924	1.102	465.9	0.677	16.25
Japanese Yen 1,000	1.879	4.171	7.196	1000.	16.77	6.651	7.929	3353	4.872	116.9
French Franc 10	1.120	2.487	4.291	596.4	10.	3.966	4.728	1999.	2.905	69.72
Swiss Franc	0.282	0.627	1.082	150.4	2.521	1.	1.192	504.1	0.733	17.58
Dutch Guilder	0.237	0.526	0.908	126.1	2.115	0.839	1.	422.9	0.615	14.75
Italian Lira 1,000	0.560	1.244	2.146	298.3	5.001	1.984	2.365	1000.	1.453	34.87
Canadian Dollar	0.386	0.856	1.477	205.2	3.442	1.365	1.627	688.1	1.	23.99
Belgian Franc 100	1.607	3.568	6.155	855.4	14.34	5.689	6.782	2868.	4.168	100.

LONDON MONEY RATES

Dec. 31 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	16-16¼	—	—	—	17⅞	16-17	—	—	—
2 days notice	—	—	17¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17-17½	17¾	—	17¼	17⅞	16½-16⅜	—	—	—
One month	17⅛-16⅞	17-17⅛	17⅛-17⅝	18⅛-17¾	17⅜	17⅛	16⅝	15 13/16-15 11/16	17¼-17 3/16	17¼
Twomonths	17 1/16-16⅞	17-17⅛	—	17¾-17¼	17¼	—	16⅝-16½	15¾-15 23/32	16 13/16-17	17⅛
Three months	17 1/16-16⅞	17-17⅛	17-17¼	17⅛-16⅝	17¼	17⅜	16⅝	15⅞	16¾	17
Six months	16⅛-16⅜	16⅝-16⅜	16⅜-16⅝	16½-16⅛	16⅞	—	—	—	15 7/16-15½	16¼
Nine months	15⅝-15½	16⅛-15 15/16	—	16⅛-15⅜	16⅛	—	—	—	—	—
One year	15¼-15	16⅛-15 15/16	15⅝-15⅝	16⅛-15¼	15⅞	—	—	—	—	—
Two years	—	—	15½-15⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days fixed. * Long-term local authority mortgage *rates nominally three years 15½ per cent; four years 15¾ per cent; five years 15¾-15⅞ per cent.* ⊕ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 16⅞-16⅞ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rates for one-month Treasury bills 15⅝ per cent; two-month 15⅝ per cent three-month 15 23/32; per cent. Approximate rates for one-month bank bills 17⅛-17 1/16 per cent; two-month 16⅞-16⅞ per cent; three-month 16⅞ per cent; one-month trade bills 17 per cent; two-month 16⅞ per cent and three-month 16¾ per cent.

Finance Houses Base Rates (published for the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.8421 per cent.

MONEY RATES

NEW YORK	
Prime Rate	15-15¼
Fed. Funds	13½-14
Treasury Bills (13-week)	12.04
Treasury Bills (26-week)	11.83
GERMANY	
Discount Rate	6
Overnight Rate	11.0
One month	9.70
Three months	9.325
Six months	8.825
FRANCE	
Discount Rate	9.5
Overnight Rate	12.375
One month	12.3125
Three months	12.825
Six months	12.5625
JAPAN	
Discount Rate	6.25
Call (Unconditional)	8.125
Bills Discount (three-month)	8.46875

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.95-14.05 per cent; three months 13.95-14.05 per cent; six months 13.85-13.95 per cent; one year 12.70-12.80.

Dec. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	15¾-16	14-14¼	13½-13½	11-11¼	1¾-2	8⅛-8¼	13½-14	16-30	—	5-7½
7 days' notice	15-15¼	14-14¼	12½-13½	11-11¼	1¾-2	8 5/16-8 7/16	16½-14	17½-22¾	14⅛-14¼	7⅛-7¼
Month	16¾-17	14¼-14½	13½-13⅞	12½-12¾	5 7/16-5 9/16	8⅜-8½	13⅞-14⅛	18⅛-21½	14 11/16-14 13/16	7⅝-7⅞
three months	16¾-17	14 7/16-14 11/16	13½-13⅞	12½-12¾	5¾-5⅞	8 5/16-8 11/16	14⅛-14⅜	19-20¾	14 15/16-15 1/16	8¼-8½
six months	16¾-17	14½-14¾	13⅜-13¾	11¾-12	5⅞-6	8 5/16-8 11/16	14⅛-14⅜	16½-19¾	14 5/16-14 13/16	8⅝-8⅞
one year	15¼-15½	12⅞-13⅛	12⅝-12¾	10½-10¾	5 5/16-5 11/16	8⅛-8¼	13⅞-14⅛	17-18	13⅛-13¼	8-8¼

Long-term Eurodollar two years 12-12⅞ per cent; three years 11⅞-12⅞ per cent; four years 11¾-12 per cent; five years 11¾-12 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3568	+1.43	+1.43	±1.53
Danish Krone	7.72336	7.72146	−0.02	−0.02	±1.64
German D-Mark	2.48208	2.48677	+0.19	+0.19	±1.125
French Franc	5.84700	5.80462	−0.72	−0.72	±1.3557
Dutch Guilder	2.74362	2.73783	−0.21	−0.21	±1.512
Irish Punt	0.668201	0.671722	+0.53	+0.53	±1.668
Italian Lira	1157.79	1160.06	+0.20	+0.20	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Dec. 31	£	$		£ Note Rates
Argentina Peso	3590-3610	1615-1625	Austria	27.40-27.70
Australia Dollar	2.0075-2.0115	0.9035-0.9040	*Belgium*	64.40-64.90
Brazil Cruzeiro	93.80-94.80	42.25-42.70	Denmark	11.91-11.98
Finland Markka	8.25-8.26¼	3.7090-3.7110	France	8.93-9.00
Greek Drachma	84.336-86.440	37.80-37.95	Germany	3.82½-3.86½
Hong Kong Dollar	10.97½-11.01	4.9320-4.9370	Italy	1768-1835
Iran Rial	n/a	n/a	Japan	533-538
Kuwait Dinar (KD)	0.602-0.612	0.2733-0.2734	Netherlands	4.21-4.24
Luxembourg Frc.	62.15-62.30	28.01-28.03	Norway	10.94-11.01
Malaysia Dollar	4.8610-4.8790	2.1880-2.1890	*Portugal*	109-117
New Zealand Dlr.	2.2550-2.2610	1.0150-1.0160	Spain	146¼-154¼
Saudi Arab. Riyal	7.43-7.53	3.3670-3.3700	Switzerland	3.54-3.58
Singapore Dollar	4.7900-4.8080	2.1580-2.1590	United States	2.22-2.25
Sth. African Rand	1.8370-1.8410	0.8260-0.8270	Yugoslavia	46-51

Rate given for Argentina is free rate.

APPOINTMENTS

Senior Royal Dutch/Shell Group post

Mr. R. W. Tookey has taken over as the ROYAL DUTCH/SHELL GROUP'S marine co-ordinator and managing director of SHELL INTERNATIONAL MARINE from Dr. D. R. Skinner who will be retiring in February.

*

VALIN POLLEN has made the *following appointments*: Mr. Reg Valin (previously chief executive of Charles Barker City) becomes chief executive. Mr. Richard Pollen (previously deputy managing director of *Charles Barker City*) becomes managing director. The Hon. Jonathan Davies has joined the Board as a non-executive director.

*

Mr. Irwin Taylor has joined TRADE FINANCE INTERNATIONAL MARINE from Mr. NATIONAL as an associate director.

*

Mr. V. P. Fleming has been elected a director of the NORTHERN AMERICAN TRUST COMPANY. Mr. H. S. Spens did not seek re-election. Mr. Fleming has also been appointed to the Board of the FIRST SCOTTISH AMERICAN TRUST COMPANY following the resignation of Mr. Spens.

*

Mr. H. A. Lucas has been appointed Group joint managing director of CAWDAW INDUSTRIAL HOLDINGS.

*

ORION BANK has made the *following appointments*: Mr. Michael J. Perry, managing director, Mr. Nicholas G. Johnson and Sir Graham Wilkinson, executive directors; Mr. Norman S. Bergel, Mr. Michael S. *Ross and Mr. Keith G. Wood*, associate directors.

*

Mr. A. H. White has become a partner in the firm of MOY VANDERVELL & COMPANY stockbrokers.

*

Mr. Sydney Lipworth, deputy managing director, has been appointed joint managing director of HAMBRO LIFE ASSURANCE. Mr. Mark Weinberg, following the retirement of Professor G. S. A. Wheatcroft, has become deputy chairman. He remains joint managing director and chief executive. Mr. Chris Davies and Mr. Sydney Myers (area directors) have been appointed executive directors.

*

Mr. George Lewis has joined the Board of ROLLS-ROYCE MOTORS HOLDINGS and ROLLS-ROYCE MOTORS.

*

Mr. Peter M. Harding has been appointed managing director of THE BERROW'S ORGANISATION. Mr. Brian Eglesfield, financial director, has become general manager.

*

Mr. Douglas Lang has joined *the Board of* W. E. NORTON (SMALL TOOLS) as a non-executive member and consultant.

*

Mr. Terry Southwell has been appointed marketing director of LADBROKE RACING, *a division* of Ladbroke Group.

*

Mr. Philip Dunkley has been appointed a non-executive director of SAMUEL MONTAGU AND CO.

*

Mr. L. M. Browning, formerly head of staff and administration at J. Henry Schroder Wagg and Co., has joined SECURITY PACIFIC NATIONAL BANK as vice president-administrative services Europe, Middle East and Africa.

*

Mr. Michael Samuel has taken over the managing directorship of MAYBORN PRODUCTS and DYLON INTERNATIONAL on the retirement of Mr. Luca Purbeck. Mr. Peter Samuel, father of the new managing director, remains chairman.

*

R. MANSELL has made the following changes: Two present branch directors, Mr. Peter Murrell and Mr. Eric Lott, have *joined the main Board*. Mr. Murrell has become joint managing director of R. Mansell (Westminster) and Mr. Lott has been appointed joint managing director of R. Mansell (Croydon).

*

Mr. D. Brooke-Hitching has been appointed chairman of GENERAL INVESTORS AND TRUSTEES in succession to Mr. R. H. *Wethered who remains* a director.

*

ELI LILLY AND COMPANY has made the following changes: Mr. Vince P. Truax, director of personnel for Lilly Industries, UK, has been transferred to the post of director of personnel for Eli Lilly's European office. Mr. Paul S. Harvey succeeds him as the director of personnel *for Lilly* Industries.

*

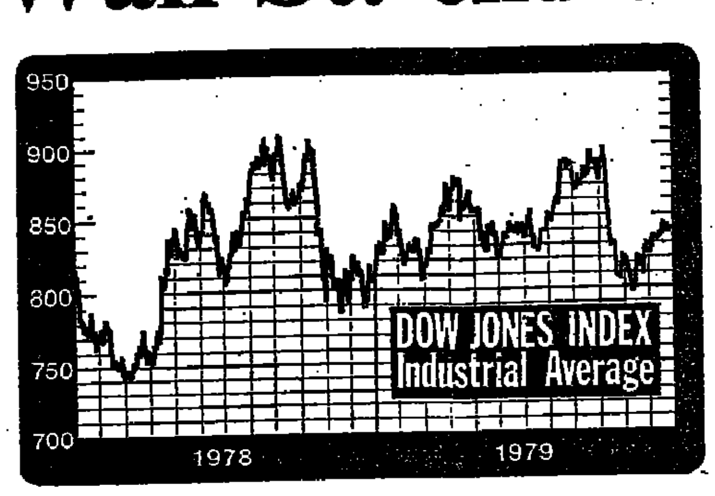
Mr. R. C. Stevens has been made chairman and group managing director for G. E. WALLIS AND SONS in *succession to Mr.* P. C. Williams, who retires from the Board in February.

*

Mr. Ian Stewart and Mr. Donald C. McIntosh have been appointed directors of BROWN SHIPLEY HOLDINGS. Mr. Stewart is an executive director of Brown Shipley and Co. and Mr. McIntosh is an executive director and deputy chairman of Brown Shipley Insurance Services.

WORLD STOCK MARKETS

Mixed Wall St. end to 1979



APART FROM a fresh upsurge in Metal Mining issues on soaring gold and silver prices, the Wall Street stock market produced a lacklustre performance for the last trading session of the decade on Monday and finished on a narrowly mixed note.

The Dow Jones Industrial Average moved fractionally either way before closing a mere 0.17 down at 838.74, leaving a rise for the past year of 33.73. Ten years ago at the end of 1969, the index stood at 800.36. The NYSE All Common Index managed a modest gain of 7 cents at $61.95, making an improvement for the whole of 1979 of $8.33. Rises and falls for the day were virtually evenly matched.

Turnover slowed on Monday to 31.69m shares from last Friday's 34.51m, but was some improvement on the 30.03m total changing hands on the last trading day of 1978. Trading for the year set a record of more than 8bn shares. Volume in the last 10 years was about triple that of the 1960 to 1969 10-year period, amounting to 49.19bn shares against the prior period's 16.90bn.

The New York Stock Exchange's heaviest single trading day in its history occurred on October 10, 1979, when 81.62m shares were traded, but during that week the D-J Industrial Average recorded its second worst one-week setback when it fell about 58 points. The market has had its ups, the D-J Industrial twice topping the 1,000 mark in the past decade, and its downs, dropping to 578 in December, 1974.

The price of Gold, which started the decade at $35 an ounce, climbed further in New York on Monday by $13 to close at a new record peak of $530 an ounce, while Silver rose above $34 an ounce. In response to the rise in the precious metals prices, ASA advanced 2¾ to $40⅞, Benguet ⅞ to $6, Homestake 2¾ to $51, Hecla Mining 8¼ to $45, Callahan Mining 3⅛ to $33⅞, Campbell Redlake 1¾ to $29¼, Handy and Harman 2¼ to $38¾ and Engelhard Minerals 4⅞ to $65⅛. Sunshine Mining moved ahead 5⅛ to $35 and Asarco 3¼ to $37½.

Elsewhere, IBM put on ⅜ to $64⅝ in active trading, but General Motors shed ⅜ to $50⅛.

Computervision receded 2¾ to $50⅞. A co-founder of the company has resigned as a director and senior vice-president.

Woods Petroleum gained 2¼ to $39⅞. The company and Ricks Exploration, an independent operator, have a new oil discovery in the Panhandle of Texas.

TRADING REMAINED active on the American SE, however, where gains led declining issues by 368 to 310 and the Amex Market Value Index rose 1.46 more to a fresh all-time high of 247.07. The index stood at 150.56 at the end of 1978 and at 120.01 at the 1969 year-end. Volume came to 6.89m shares on Monday, up from last Friday's 6.25m.

Dome Petroleum gained $2 to $46⅝. It has a 75 per cent interest in a Wyoming well, where oil was discovered. Dorchester Gas, owner of the remaining 25 per cent, rose 1⅞ to $29½.

All major world stock markets were closed yesterday, while only a few overseas markets, specifically those in the U.S. and Canada, Hong Kong, Singapore and Italy, were open on New Year's Eve.

Canada

Boosted by buoyant Metals issues, the Toronto Composite Index closed 8.9 higher on Monday at a record peak of 1,813.2 after another active trade. The Gold Shares index advanced 85.4 to 2,636.3 and Metals and Minerals 27.9 to 1,769.0. Other sectors of the market, however, recorded mixed movements, the Oil and Gas index closing barely altered at 3,745.1. In Montreal, Utilities hardened 0.30 to 247.06, but Banks declined 1.27 to 311.87.

Gold issues had widespread gains as Dome Mines rose 1¼ to C$60. Base Metals were also higher as Hudson Bay Mining moved up 3⅛ to C$29⅜ and Cominco 2¼ to C$54½.

Among Oil stocks, Gulf Canada fell 2¾ to C$111¾.

Hong Kong

In a very active half-day session on Monday, the market moved sharply higher across a broad front, lifting the Hang Seng index 27.28 further to finish the 1979 year at 879.38, the highest level since April 25, 1973, when it closed at 902.34.

Turnover on the four stock exchanges totalled HK$225.89m for the half-day session, compared with last Friday's HK$223.34m, which represented a full day's trading.

Heavy buying interest stretched across the board in the wake of last week's news that Stelux Manufacturing is offering HK$6.00 a share for minority interests in its property arm, Main Hon. Dealers said the share offer announcement surprised the market, which interpreted it as another good indicator for the Properties sector.

Main Hon, suspended on December 28, resumed trading and advanced to HK$5.60 from the last quoted price on December 27 of HK$3.80. Stelux, which was also suspended, rose HK$1.10 to HK$5.50.

Hong Kong Land climbed 50 cents to HK$13.80, Hutchison Whampoa 15 cents to HK$9.60, Jardine Matheson 60 cents to HK$17.20. Hongkong Wharf HK$1.50 to HK$74.00, and Hongkong Bank HK$1.00 to HK$19.30.

Swire Pacific "A" put on 20 cents to HK$9.50, Hong Kong Electric 35 cents to HK$6.15, China Light HK$1.20 to HK$21.70 and Hong Kong Telephone 75 cents to HK$31.75.

Milan

Stock prices closed mixed but with a bias to higher levels on Monday. Trading was extremely slow due to holiday influences. The Banca Commerciale Italiana index recorded an improvement of 0.59 at 82.45.

There was generally little reaction seen to the Government's weekend package of economic measures, but SIP and STET benefited from the Government decision to raise telephone tolls. SIP rose L97 to L1.190 and STET also L97 to L1.420.

SPAIN

December 28	Price %	+ or −
Banca Bilbao	212	+4
Banco Central	230	+6
Banco Exterior	220	+5
Banco Hispano	220	+4
Banco Ind. Cat.	137	
Banco Madrid	175	
Banco Santander	250	
Banco Urquijo	193	−3
Banco Vizcaya	218	
Banco Zaragoza	205	+5
Dragados	100	
Espanola Zinc	60	+2
Fecsa	63.2	+2.1
Gal. Preciados	23.5	−1
Hidrola	64.5	+1
Iberduero	63.5	+0.3
Petroleos	114.0	+2
Petroliber	73	
Sogefisa	115	
Telefonica	58	+1
Union Elect.	67	+0.5

1979 bows out with stock markets subdued by holiday influences, steel strike threat and political concern

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 10	Dec. 20	Dec. 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21
Jan. 14	Jan. 24	Jan. 25	Feb. 4

* "New time" dealings may take place from 9.30 am two business days earlier.

Heightened international political concern following the Soviet invasion of Afghanistan and the threatened national steel strike combined to deter investment interest on Monday. Holiday influences also affected sentiment and House attendance was thin.

Gilt-edged opened lower and ended with falls to around ¾ with Press optimism on the outlook for the sector during 1980 being outweighted by fears that the steelworkers' action will put off any chance of an early cut in Minimum Lending Rate.

Recent gloom about the outlook for equities was further underlined by weekend Press comment, and most share prices failed to recover from an opening markdown. The thin level of business on the last trading day of the old year was illustrated in total bargins of 12,564 compared with the more normal recent average of 16,500.

The few firm spots in equities usually emanated from Press tips, but the dull trend in leading industrials was measured by a progressively easier 30-share index which, however, steadied towards the close and ended 2.6 points down at 414.2 for a loss on the year of 57.7, or 12 per cent.

Mining and energy issues were featured during the day by renewed strength in Australian shares with South African Golds, narrowly mixed throughout official trading, looking good in the after-hours' business on American buying. Gold shares were again benefiting from the booming metal price which leapt $16½ to $526½ an ounce, which compares with its end-1978 level of $226½.

Continuing tight conditions in money markets coupled with suggestions that the prevailing high level of interest rates may last for some time yet prompted all-round dullness in the Gilt-edged sector.

Short-dated issues were particularly vulnerable to some early scattered offerings and, with few signs of support throughout the trading session, final quotations which recorded losses extending to ¾ were the lowest of the day. Mediums and longs tended lower in sympathy, but closing falls were usually limited to ¼.

Traded options were understandably subdued and contracts completed amounted to 190, well below Friday's 232 but above last week's average of 141. Active issues included Land Securities with 55 deals and Grand Metropolitan with 40.

Antony Gibbs Firm

Awaiting the outcome of bid discussions with Hong Kong and Shanghai, which intends to acquire the outstanding 60 per cent of the shares it does not already own, Antony Gibbs edged forward a couple of pence to a peak of 74p. The major clearing banks drifted lower on lack of support with Lloyds closing 6 down at 302p.

C. T. Bowring hardened 3 more to 133p; the announcement of Bowring's court action to restrain Marsh and McLennan from using or publishing confidential information concerning Bowring in Marsh's takeover bid came well after market hours.

Luis Gordon provided a rare outstanding feature in the drinks sector, speculative demand prompted by favourable Press comment lifting the shares 6 to 52p. Elsewhere, prices tended to hold pre-weekend levels.

Business in Buildings did not amount to much and price changes were limited to a few pence in either direction. Among the leaders, Tarmac improved 3 to 188p following an investment recommendation, while Taylor Woodrow, reflecting demand that developed late last Friday, added 4 to 328p. Sheffield Brick attracted interest and put on a penny to 36p, as did Bellway, which improved 2 to 70p.

ICI typified the lethargic and dull market trend, finishing 6 lower at 354p. Fisons, despite an investment recommendation, held at 262p, but Press comment on takeover favourite Allied Colloids left the shares 2 firmer at 134p, after 135p. Coates Brothers encountered support, the ordinary and "A" adding 2½ apiece to 58½p and 56½ respectively.

Bambers Good

Bambers highlighted an otherwise lethargic Stores sector with a jump of 10 to 86p in response to an investment recommendation. Moss Bros. continued firmly at 2[illegible]p, up 5. Shares [illegible] inclined easier with speculative favourite Style a few pence off at 175p.

[illegible] Press comment on the company's recent [illegible] of [illegible] prompted [illegible] of Thorn Electrical which closed 5 cheaper at 372p. Other leading Electricals followed the [illegible] slightly easier trend, GEC ending 3 to 332p.

The after-hours announcement confirming that the national steel strike will go ahead from today had little further impact on the Engineering leaders which had closed with small losses. GKN looked a little more unsettled than most and and finished the day with a fall of 5 at 247p. Secondary issues made a mixed showing. Favourable Press mention stimulated interest in Vosper, 5 to the good at 160p, and Prestwich Parker, a similar amount dearer at 23p, while revived speculative demand lifted CompAir 3½ to 73½p.

The firmer trend in Foods usually reflected favourable Press comment with Unigate and Tesco both a penny better on that score at 113p and 67½p respectively. Fitch Lovell improved 2 to 82p. Elsewhere, Carr's Milling attracted buyers and, in a thin market, put on 6 to 78p, but Hillards eased 4 to 163p and Bernard Matthews shed 5 to 250p.

Savoy "A" provided a firm spot in Hotels and Caterers, adding 4 to 103p

Tebbit Jump

The prospect of a damaging steel strike and the Russian presence in Afghanistan deterred investment interest in the miscellaneous industrial leaders and prices of the majors drifted lower on lack of support. Reed International lost 4 to 170p. Secondary stocks provided a few firm features with Tebbitt particularly notable for a rise of 6 to 14p on the announcement that John Baker has acquired a 21 per cent stake in the company. New Year investment recommendations helped rises in Australian giant Broken Hill Proprietary, 30 better at 595p, and Hestair, 4 up at 29p, after 30p. Wilkinson Match also added 4, to 142p, while Lawtex, 64p, and Dundonian, 39p, rose 2 apiece. Kennedy Smale came in for support at 53p, up 4

In Motor Components, Lucas, at 230p, lost most of the previous Friday's gain of 5 which stemmed from the BL-Honda tie-up. Speculative interest helped Zenith Carburetter to a rise of 3 at 81p. Elsewhere, Fodens eased a penny to 36p in front of Thursday's interim figures, while losses of around 3 were seen in Glanfield Lawrence, 50p, Henlys, 94p, and Harold Perry, 119p.

Newspapers were quietly mixed. International Thomson rose 5 to 400p, but Associated, 248p, and News International, 138p, both eased 2. Press comment coupled with further consideration of the company's property deal lifted William Collins "A" 5 to 80p.

Properties drifted gently lower in the general apathy. Land Securities cheapened 5 to 254p. Recently firm Hammerson "A" gave up 5 to 725p, but the new nil paid shares held at 160p premium. Law Land hardened a penny to 55p following acquisition news, but Fairview Estates shed 3 to 190p and Rush and Tompkins gave up 2 to 98p. Marler Estates, on the other hand, added a penny more to 40p.

The prospect of further North Sea crude oil price increases helped secondary oil score more good rises. Viking rose 30 to 610p and Cluff 25 to 390p, while improvements of around 6 were seen in Attock, 164p, Candecca Resources, 99p, CCP North Sea, 117p, and Clyde Petroleum, 330p. The leaders, however, lacked support and BP closed 4 down at 346p with Shell easing a couple of pence to 326p.

Among Financial Trusts, M and G Group rallied 5 to 136p with the aid of favourable weekend Press mention.

Apart from P and O deferred, which responded to Press mention with a rise of 2 to 113p, after 114½p, little of note developed in Shippings.

Small support lifted selected South African industrials. Barlow Rand improved 12 to 330p, while Abercom, 120p, and South African Breweries, 111½p, both added around 3.

In Plantations, Guthrie put on 5 to 632p after weekend Press comment, while Harrisons Malaysian Estates closed 8 up at 169p.

Late Rally in Golds

Mining markets ended 1979 with a flourish. South African Golds were picking up strongly at the close of trading as renewed buying demand, emanating from the U.S., followed another sharp rise in the bullion price.

The latter ended the year on a triumphant note to close $16.50 up at a record $526.50—up $300½ on the year-ago level.

Initially, share prices had generally drifted easier on modest profittaking although a few bright spots included Free State Saaiplaas, which put on 21 to a year's high of 234p following favourable Press mention.

Other issues to attract good buying included West Rand Consolidated, 12 firmer at a high of 247p and Unisel, 13 better at 420p. The Gold Mines index eased 1.4 to 268.6 but still showed an improvement of almost 90 per cent over the year.

South African Financials were quietly steady but London issues were featured by further heavy buying of Tanks which advanced 22 to 250p reflecting Press comment and the continuing buoyancy of the Ashton participants. Selection Trust continued to make good progress and added 8 to 586p.

Zambian Coppers attracted further buying encouraged by the ceasefire in Rhodesia. Roan Consolidted added 10 to a high of 220p and ZCI 4 to 39p. In Rhodesians, Falcon put on 10 to 520p buoyed by the record bullion price.

Australians registered strong gains throughout the list with precious metal producers and energy issues prominent. Among the former, Gold Mines of Kalgoorlie put on 5 to a year's high of 187p, while North Kalgurli rose a like amount to a high of 44½p. Poseidon held steady at 114p.

Energy stocks were featured by the Rundle oil-share partners. Central Pacific rose a point to £17 and Southern Pacific 40 to 670p. Diamond exploration issues came in for strong support. Ashton participants Ashton Mining and Northern Mining were both 4 firmer at the common price of 157p, while other exploration issues showed rises of 3 common to Samantha, 52p, Paringa, 62p and Haoma, 34p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	Vol.	April Closing offer	Vol.	July Closing offer	Vol.	Equity close
BP	350	12	4	23	—	—	—	346p
BP	400	1½	–	7	10	—	—	"
Com. Union	140	7	—	12	6	17	–	139p
Cons. Gold	360	28	5	50	1	65	3	385p
Courtaulds	80	2	9	5½	—	7	—	73p
GEC	330	13	10	32	—	46	—	355p
GEC	360	2	—	18	—	31	10	"
Grand Met.	128	4½	20	—	—	—	—	[illegible]
Grand Met.	140	—	—	6½	20	11½	—	"
ICI	360	7	10	19	—	37	—	356p
Land Secs.	260	5	25	20	—	26	—	255p
Land Secs.	280	1	30	9	—	17	—	"
Marks & Sp.	80	2	—	7	—	9	13	77p
Totals			113		37		26	
		February		May		August		
EMI	140	2	—	5	10	—	—	125p
RTZ	330	22	—	39	3	52	1	329p
Totals			—		13		1	

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
ICI	£1	8	354	− 6	415	314
P and O Dfd.	£1	8	113	+ 2	119	71
Marks & Spencer	25p	6	77	—	134	76
Allied Breweries	25p	5	78½	− ½	102	77½
Broken Hill Prop.	A$2	5	595	+30	702	440
Burmah Oil	£1	5	167	− 1	197	82
Coral Leisure	10p	5	63	—	133	56½
Lonrho	25p	5	82	− 1	90	62
Lucas Inds.	£1	5	230	− 4	310	195
RTZ	25p	5	327	+ 1	362	226
Allied Colloids	10p	4	134	+ 2	152	68
Barclays Bank	£1	4	426	− 4	514	360
Beecham	25p	4	116	− 1	189	114
Carless Capel	10p	4	82	—	84	28
Shell Transport	25p	4	326	− 2	402	278

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., Dec. 31, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri., Dec. 28 Index No.	Thurs., Dec. 27 Index No.	Mon., Dec. 24 Index No.	Fri., Dec. 21 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	213.41	−0.5	20.19	7.22	6.27	214.49	213.38	214.49	215.05	231.39
2	Building Materials (27)	198.19	—	19.84	7.56	6.47	198.21	198.12	199.18	199.62	203.61
3	Contracting, Construction (29)	324.73	−0.1	28.42	7.38	4.36	325.10	325.28	328.99	329.41	357.67
4	Electricals (15)	549.67	−0.9	14.68	4.51	9.09	554.54	548.38	550.53	552.34	540.58
5	Engineering Contractors (11)	287.68	−0.7	26.96	8.90	4.74	289.73	290.65	292.99	292.55	352.74
6	Mechanical Engineering (74)	149.78	−0.3	22.22	8.58	5.60	150.29	149.32	150.15	150.28	181.34
8	Metals and Metal Forming (16)	144.90	−0.9	22.98	10.48	5.24	146.18	146.07	146.40	147.62	160.27
	CONSUMER GOODS										
11	(DURABLE) (50)	190.39	−1.1	18.87	6.38	6.53	192.48	191.89	193.17	193.86	207.34
12	Lt. Electronics, Radio, TV (15)	256.13	−1.3	15.17	5.01	8.41	259.46	258.09	261.28	262.60	261.89
13	Household Goods (14)	116.40	+0.8	26.01	9.31	4.66	115.49	116.72	117.22	117.21	165.25
14	Motors and Distributors (21)	103.62	−1.1	25.93	8.92	4.55	104.74	103.86	103.97	104.06	120.09
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	203.74	−0.3	19.58	7.37	6.30	204.31	204.48	205.04	205.72	207.21
22	Breweries (14)	252.84	−0.1	17.29	6.92	6.80	253.03	252.84	252.95	255.22	230.12
23	Wines and Spirits (6)	293.13	−0.9	18.34	6.25	6.73	295.65	298.25	298.45	300.10	279.15
24	Entertainment, Catering (17)	273.46	−0.1	19.32	7.22	6.72	273.73	272.72	271.89	272.67	269.24
25	Food Manufacturing (19)	190.18	−0.4	20.92	7.65	5.87	190.93	190.95	191.32	191.28	199.92
26	Food Retailing (15)	294.08	+0.7	14.01	4.82	8.53	291.92	292.96	293.66	293.87	228.83
32	Newspapers, Publishing (12)	384.20	−0.2	24.71	7.58	5.59	385.03	380.66	379.42	379.42	366.08
33	Packaging and Paper (15)	115.25	−1.1	25.77	9.85	5.00	116.56	116.88	117.44	117.57	130.82
34	Stores (43)	191.17	−0.1	16.10	5.92	8.02	191.38	191.33	192.59	193.31	191.74
35	Textiles (23)	125.57	−0.3	28.97	12.88	4.38	125.97	126.14	126.34	126.51	178.59
36	Tobaccos (3)	198.97	−1.2	28.65	11.20	3.94	201.44	202.42	202.90	203.90	235.08
37	Toys and Games (6)	47.59	—	34.39	15.85	3.67	47.59	47.10	47.46	47.46	98.89
41	OTHER GROUPS (98)	187.18	−0.5	16.71	7.17	7.28	188.19	187.01	188.09	188.56	194.38
42	Chemicals (18)	277.71	−1.2	17.56	7.18	6.58	281.05	278.59	280.80	282.50	275.67
43	Pharmaceutical Products (7)	194.03	−0.7	13.12	6.59	9.29	195.40	194.12	195.83	196.26	245.15
44	Office Equipment (6)	103.77	−0.8	19.23	8.13	6.49	104.61	103.12	103.81	103.81	129.31
45	Shipping (10)	424.10	+0.4	12.49	7.61	10.21	422.21	413.31	413.05	412.54	485.44
46	Miscellaneous (57)	218.77	+0.1	17.96	7.20	7.06	218.65	218.75	219.48	219.52	208.80
49	INDUSTRIAL GROUP (493)	207.70	−0.5	18.99	7.22	6.53	208.64	208.08	208.99	209.61	216.79
51	Oils (7)	696.39	−0.8	16.17	6.86	6.68	702.09	689.14	695.21	695.28	501.52
59	500 SHARE INDEX	246.30	−0.5	18.39	7.14	6.56	247.61	246.12	247.43	248.01	240.47
61	FINANCIAL GROUP (117)	182.36	−0.3	—	6.06	—	182.88	181.87	182.61	182.80	168.88
62	Banks (6)	220.33	−1.0	37.75	5.90	3.38	222.52	220.06	222.16	223.44	198.80
63	Discount Houses (10)	219.30	+0.3	—	9.04	—	218.71	217.80	218.05	216.97	212.93
64	Hire Purchase (5)	165.33	+0.5	21.42	5.75	5.91	164.51	166.21	167.02	167.84	165.00
65	Insurance (Life) (10)	156.38	+0.5	—	6.72	—	155.64	155.09	154.81	153.61	133.47
66	Insurance (Composite) (8)	121.67	+0.2	—	8.01	—	121.42	121.25	121.94	121.94	123.32
67	Insurance Brokers (10)	267.55	+0.4	18.64	7.30	7.67	266.51	266.86	267.48	267.86	309.28
68	Merchant Banks (14)	89.75	−0.4	—	6.63	—	90.09	89.96	89.83	89.72	77.62
69	Property (44)	316.73	−0.6	4.17	3.39	34.41	318.61	316.72	317.00	317.57	267.26
70	Miscellaneous (10)	121.39	+0.2	15.66	7.49	8.31	121.17	119.78	119.94	119.69	113.01
71	Investment Trusts (109)	192.49	−0.1	—	6.37	—	192.65	191.75	192.43	192.70	202.36
81	Mining Finance (4)	161.95	+0.6	14.23	5.46	8.53	160.94	158.19	156.31	156.59	101.39
91	Overseas Traders (20)	332.39	+0.2	15.03	7.53	8.05	331.79	333.27	336.60	335.93	292.50
99	ALL-SHARE INDEX (750)	229.79	−0.4	—	6.87	—	230.76	229.39	230.46	230.91	220.60

FIXED INTEREST PRICE INDICES

	British Government	Mon., Dec. 31	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	100.32	−0.48	0.20	9.52
2	5-15 years	103.31	−0.46	—	11.51
3	Over 15 years	106.82	−0.46	—	14.69
4	Irredeemables	119.85	−0.50	—	14.48
5	All stocks	103.18	−0.47	0.07	11.92

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Mon., Dec. 31	Fri., Dec. 28	Year ago (approx.)
1	Low	5 years	12.49	12.70	9.69
2	Coupons	15 years	12.56	12.71	11.48
3		25 years	12.72	12.72	12.20
4	Medium	5 years	14.78	14.51	12.78
5	Coupons	15 years	14.45	14.32	12.79
6		25 years	14.17	14.15	12.79
7	High	5 years	14.96	14.72	12.82
8	Coupons	15 years	14.87	14.79	13.33
9		25 years	14.60	14.54	13.35
10	Irredeemables		12.23	12.16	11.93

		Mon., Dec. 31 Index No.	Yield %	Friday Dec. 28	Thurs. Dec. 27	Mon. Dec. 24	Friday Dec. 21	Thurs. Dec. 20	Wed. Dec. 19	Tues. Dec. 18	Year ago (appr'x)
15	20-yr. Red. Deb & Loans (15)	49.36	†14.96	49.36	49.38	49.35	49.54	49.67	49.66	49.65	54.91
16	Investment Trust Prefs. (15)	46.34	14.45	46.21	46.21	46.22	46.22	45.78	45.78	45.74	51.34
17	Coml. and Indl. Prefs. (20)	61.23	14.61	61.19	61.19	61.12	61.12	61.44	61.44	61.46	72.37

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service on Monday attained new Highs and Lows for 1979.

NEW HIGHS (31)

BANKS (1)
Gibbs (A.)

CHEMICALS (1)
Carless Capel

BEERS (1)
Gordon (L.)

INDUSTRIALS (1)
Tebbitt

STORES (2)
Moss Brothers, Wearwell

PROPERTY (1)
H.K. Land

SOUTH AFRICANS (2)
Greatermans A, S.A. Breweries

OIL AND GAS (7)
Aran Energy, Cluff Oil, Cambridge Petroleum, Weeks Petroleum, Candecca Resources, Do. Pfd. Ord., Woodside

MINES (15)
Durban Deep, Rustenburg Platinum, East Rand Prop., Lydenburg, West Rand, Falcon, Cons. Gold Fields, Roan Consolidated, General Mining, Gold of Kalgoorlie, Jo'burg Cons., North Kalgurli, Tanks. Con., Northern Mng. Cpn., Paringa

NEW LOWS (28)

AMERICANS (1)
Colt Inds.

BUILDINGS (1)
Bett Brothers

CHEMICALS (1)
Akzo

STORES (3)
Hepworth (J.), Foster Brothers, Maple

ELECTRICALS (2)
Audiotronic, Thorn Electrical

ENGINEERING (2)
Granges, Renold

FOODS (2)
Barker and Dobson, British Vending

INDUSTRIALS (5)
Aaronson Brothers, Burndene, Brentons, Negretti and Zambra, Pritchard Services

INSURANCES (1)
Stenhouse

LEISURE (1)
HTV Non-Voting

MOTORS (3)
York Trailer, Braid Group, Henlys

TEXTILES (3)
Carpets Interntl., Corah, Courtaulds

TOBACCOS (2)
BAT Inds., Imperial Group

OVERSEAS TRADERS (1)
Sanger (J. E.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	4	80	3
Corpns. Dom. and Foreign Bonds	8	14	44
Industrials	136	190	1,077
Financial and Prop.	66	68	365
Oils	23	4	15
Plantations	4	2	22
Mines	66	24	57
Others	52	28	80
Totals	359	410	1,663

FINANCIAL TIMES STOCK INDICES

	Dec. 31	Dec. 28	Dec. 27	Dec. 24	Dec. 21	Dec. 20	A year ago
Government Secs.	68.10	65.49	65.46	65.48	65.46	65.31	68.89
Fixed Interest	65.93	65.99	65.99	65.05	66.02	65.92	70.33
Industrial	414.2	417.8	414.7	417.5	419.6	420.2	470.9
Gold Mines	268.6	270.0	276.4	262.2	258.6	258.7	141.5
Ord. Div. Yield	7.84	7.77	7.83	7.79	7.74	7.74	6.18
Earnings Yld. % (full)	19.51	19.33	19.49	19.38	19.27	19.26	16.09
P/E Ratio (net) (*)	6.31	6.37	6.32	6.35	6.39	6.39	8.08
Total bargains	12,564	14,397	8,945	6,926	13,987	14,616	—
Equity turnover £m.	—	42.53	39.20	26.17	70.66	78.90	51.88
Equity bargains total	—	6,900	5,911	4,621	10,963	11,737	8,403

10 am 415.6. 11 am 415.0. Noon 414.5. 1 pm 413.9.
2 pm 413.5. 3 pm 413.5.
Latest Index 01-246 8026.
* Nil=6.09.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	276.4 (27/12)	129.9 (17/4)	442.3 (22/5/75)	43.5 (28/10/71)

S.E. ACTIVITY

	Dec. 31	Dec. 28
—Daily		
Gilt Edged	95.6	71.1
Industrials	59.5	47.6
Speculative	39.7	40.3
Totals	48.5	34.5
5-d'y Av'r'ge		
Gilt Edged	73.3	75.8
Industrials	47.5	52.7
Speculative	34.6	39.3
Totals	37.1	40.1

MONTHLY AVERAGES OF STOCK INDICES

—	December	November	October	September
Financial Times				
Government Securities	64.76	65.53	70.65	72.64
Fixed Interest	65.58	66.44	71.63	73.12
Industrial Ordinary	419.8	415.9	465.4	468.4
Gold Mines	258.5	212.7	216.9	210.1
Total Bargains	15,221	18,135	18,168	16,246
F.T.– Actuaries				
Industrial Group	209.33	206.95	234.61	238.75
500 Share	249.53	247.82	274.70	271.73
Financial Group	179.53	169.39	192.43	193.64
All-Share (750)	230.78	226.12	251.71	249.93
Red. Debs.& Loans	49.49	51.89	56.83	58.34

	High	Low
Industrial Ordinary	431.0 (14th)	411.7 (6th)
All-Share	234.82 (14th)	227.21 (7th)

RECENT ISSUES

EQUITIES

Issue Price pt	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price pt	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
§70	F.P.	—	92	84	††Bio-kil Chem. 10p	86	—	‡4.9	1.2	8.1	13.7
363	150	20/2	182	148	B.P. 'New'	156	—	§18.75	6.8	5.5	6.5
§90	F.P.	11/1	111	101	Conder Intl.	110	—	b7.0	2.9	9.1	4.2
¶	F.P.	25/1	127	122	Haynes P'blish'g 20p	122	−2	bd5.0	2.1	4.8	8.3
§41	F.P.	—	47	44	Lontrim	44	—	b3.36	1.3	10.9	10.4
R2	F.P.	—	154	118	†SASOL R1	151	+5	T16c	2.2	6.2	7.3
£10	F.P.	—	£10⅛	£10	Sel Mkt TstPrtRedPrf	£10⅛	—	—	—	—	—
¶	F.P.	11/1	74	68	Spring Grove 10p	70	—	b4.0	1.8	8.2	9.6
‖‖	F.P.	—	£27	£25⅛	WereldhaveNVDFL 20	£26	—	QFL6	1.1	5.1	17.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price	+ or −
§	F.P.	19/12	94	90½	Amber Day 10¼% Cum. Red. Pref. '99-02	91	—
¶	£10	28/2	10¾	10½	B'mem'th & District W'ter Red. Pref. 1985	10¾	—
¶	F.P.	31/1	99	92½	Bristol Waterworks 8% Red. Pref. 1984	93	+½
‖	F.P.	22/1	95	90	Dundonian 11¼% Cum. Conv. Pref.	95	—
**	F.P.	—	86p	85p	Hewitt (J.)	86p	—
$100	F.P.	—	$99	$96	Hill Samuel Floating Rate Notes 1922	$97	—
¶	£10	25/1	950p	950p	Mid-Sussex Water 7% Red. Pref. 1985New	950p	—
¶¶	F.P.	13/2	88¼p	82p	Thorn Elec. 7%Con.Red.2ndComPrf92-99	82p	—

"RIGHTS" OFFERS

Issue Price pt	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date □	1979 High	1979 Low	Stock	Closing Price pt	+ or −
20	F.P.	—	—	39	29	Dundonian	39	+5
560	Nil	3/1	24/1	160pm	100pm	Hammerson Prop. & Inv. Trust	160pm	—
60	Nil	3/1	24/1	160pm	100pm	Do. A	160pm	—
A$1	Nil	—	—	45pm	20pm	Hanimex Corp.	35pm	—
12½	Nil	7/1	28/1	9pm	7pm	Laganvale Estates	7pm	—
95	F.P.	16/11	4/1	100	90	Laporte Inds.	93	—
40	F.P.	15/11	4/1	45	37	M. Y. Dart	44	—
57	F.P.	28/11	11/1	63	56	Newman Tonks	60	—
60cts	Nil	—	—	285pm	190pm	Pancontinental	265pm	—
200	F.P.	3/12	1/2	208	200	Pilkington Bros	202	+2
34	Nil	11/1	15/2	14½pm	10pm	Wearwell	14½pm	+½

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464
Apollo Fd. Dec. 11 | SF47.18 | 51.10 | — | 3.45
Japfest. Dec. 15 | HK$14.63 | 15.84 | — | 1.28
117 Group Nov. 30 | US$12.04 | 12.95 | — | 3.21
117 Jersey Dec. 12 | £5.43 | 5.90 | — | 1.82
117 Jersey O's Dec. 5 | £6.37 | 6.71 | — | 3.64

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
*Hope St. Fd. | US$37.36 | — | —
*Murray Fund | US$14.95 | — | —
*NAV Dec. 15.

Nat. Westminster Jersey Fd. Mgrs. Ltd.
45 La Motte St., St. Helier, Jersey 0534 36241
High Income Fund | 44.7 | 46.0 | — | 13.04
Equity Fund | 45.2 | 47.0 | — | 4.26

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV Dec. 28 | US$12.91 | — | +0.13 | —

Negit Ltd.
Bank of Bermuda Bldgs., Hamilton, Brmda.
NAV Oct. 19 | £4.35 | — | —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
NAV Dec. 28 | US$12.66 | — | —

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741
Inter-Dollar Fund | US$2.57 | 2.77 | — | —
Far East Fund | US$1.89 | 2.05 | — | —
Intl. Currency Fund | US$1.48 | 1.60 | — | —
Dollar Fxd. Int. Fund | US$1.74 | 1.89 | — | —
Ster. Exempt Gilt Fd. | £1.26 | 1.34 | — | —

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Sterling Bond Fd. | 42.5 | 44.7 | — | —
Sterling Equity Fd. | 51.5 | 54.1 | — | —
Intl. Bond Fd. | US$95.0 | 100 | — | —
Intl. Equity Fd. | US$96.0 | 101.0 | — | —
Prices at Dec. 12. Next dealing Dec. 19.

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441
Quest Stlg. Fxd. Int. | 80.6 | 85.6 | — | 14.02
Quest Intl. Secs. | $0.933 | 1.004 | — | 2.99
Quest Intl. Bd. | $0.900 | 0.954 | — | 9.43
Prices on Dec. 27. Next dealing Jan. 2.

Richmond Life Ass. Ltd.
48, Athol Street, Douglas, I.O.M. 0624 23914
(x)The Silver Trust | 119.2 | 131.5 | +6.21 | —
Do. Diamond Bd. | 125.8 | 132.5 | — | —
Do. Em Income Bd. | 133.3 | 142.4 | +0.1 | 13.92
Midway Deposit Bd. | 105.65 | 106.73 | — | 15.91
Carrillon C.G.T. Bd. | 61.4 | 64.7 | — | —

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† | [illegible]
OCSm. Co.*** | [illegible]
O.C. Commodity* | [illegible]
O.C. Dir. Comdty.† | [illegible]
O.C. Sterling Fd.** | [illegible]
*Prices on Dec. 14. Next dealing Dec. 31.
†Prices on Dec. 7. Next dealing Dec. 21.
**Daily dealings. ***Jan. 15.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. | US$9.59 | 9.80 | — | —
Prices on Dec. 21. Next dealing Dec. 27.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441
[illegible]

Save & Prosper International [illegible]

Schlesinger [illegible]

Schroder [illegible]

J. Henry Schroder Wagg & Co. Ltd. [illegible]

Sentry Assurance International Ltd. [illegible]

Singer & Friedlander [illegible]

Standard Chartered [illegible]

Stronghold [illegible]

Surinvest [illegible]

TSB Unit Trust Managers (C.I.) Ltd. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd.
[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Gilt & F.I. Tst.	96.6	102.2xd	-0.3	3.45
Abbey Capital	34.0	36.7		5.67
Abbey Income	39.7	42.5	+0.1	8.62
Abbey Inv. Tst. Fund	33.2	35.8	+0.1	6.23
Abbey Gen. Trust	44.4	47.4		5.71
Abbey Intl. Bd. Tst.	95.0	99.4	-3.8	5.02
Abbey Am. Gth. Tst.	47.0	49.7	+0.1	3.62
Equitas Prog. Trust	64.2	69.4		6.06

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.3	95.1		13.23

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	69.2	74.0	-0.7	6.49
Brit. Inds. Fund	63.5	67.9	-0.3	6.63
Growth & Income	37.4	40.0xd	-1.4	6.30
Elect. & Ind. Dev.	34.1	36.5	-0.1	5.75
Allied Capital	69.9	74.8	-0.1	5.75
Hambro Fund	106.8	114.3	-0.1	6.43
Hambro Acc. Fund	131.5	140.7		5.72

Income Funds

High Yield Fd.	65.9	70.5	-0.2	10.21
High Income	64.2	68.7		8.30
A.H. Eq. Inc.	38.4	41.1		8.49

International Funds

International	26.8	28.7		2.85
Pacific Fund	41.1	44.0xd		2.89
Secs. of America	57.4	61.4xd	+0.3	2.28

Specialist Funds

Smaller Co.'s Fd.	44.1	47.2xd	-1.0	4.98
2nd Smlr. Co's Fd.	52.6	56.3	-0.1	4.80
Recovery Sits.	105.5	112.9	+0.1	6.86
Met. Min. & C'dty.	50.2	53.7	+0.1	5.49
Overseas Earnings	53.2	56.9xd	-0.1	5.98

Exempt Funds

Far East Exempt	48.8	50.8xd		3.48
Smaller Co. Exempt	67.6	71.0	+1.0	5.49
U.S.A. Exempt	101.4	105.4	+0.5	3.32

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Dec. 27	176.8	188.5		6.26

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.1	19.0		6.10
Gt. Winchester O'seas.	19.5	21.0		2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-499 3211

Emson Dudley Tst.	69.7	74.5		6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	69.0	72.6		5.33

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	24.1	25.3		1.0
Fixed Interest	24.0	25.2		13.4
Growth & Income	24.4	25.6	-0.3	8.08
Special Sits.	24.1	25.3	-0.3	3.0

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.6	27.5		2.36
Accum. Units	31.1	33.4		2.36
J. Finlay High Income	32.4	34.8		9.85
J. Finlay Euro.Fin.	23.6	25.1		4.20
Accum. Units	30.0	31.7		4.20
J. Finlay Fd.In.Tst.	28.3	30.4		5.70
Accum. Units	34.2	36.7		5.70

Prices on Dec. 27. Next dealing Jan. 3.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	51.4	54.6	-0.4	1.34
American Turnaround	51.2	54.4	-0.2	2.00
Capital Tst.	48.4	51.4	+0.2	5.28
(Accum. Units)	48.6	51.4	+0.2	5.28
Income Tst.	34.2	36.2xd		8.87
Int. Growth Fd.	41.2	43.8		2.29
(Accum. Units)	43.8	46.4	+0.2	2.29

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	44.7	47.8		5.33
Do. Accum.	61.6	65.8		5.33

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Dec. 6	103.9	104.9		5.53
Gross Inc. Dec. 6	73.4	75.1		11.05
High Yield Dec. 6	81.3	81.9		10.50

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

103¾	96	FFI 13pc 1981	97¼	.....	13.37	15.64
108¾	94	Do. 14pc '83	95½	.....	14.65	15.52
86½	77½	ICFC 5½pc Deb. '80-82	81½	+½	6.89	14.86
85	69	Do. 6¼pcDb. '81-84	72	.....	8.74	14.50
99	79½	Da. 10½pc Uns.Ln. '86	81xd	+½	12.96	15.50
99	79	Do. 11pc Uns.Ln. '88	80½xd	+½	13.66	14.80
101½	80	Do. 11¾pc Uns.Ln. '90	82xd	+¼	14.32	15.30
72½	54½	Do. 7¼pcADeb. '89-92	56½	.....	12.90	15.10
69	53	Do. 7¼pcA Db. '91-94	56½	.....	13.32	15.00
67½	64	Do. 9pc'A' '91-94	67½	+½	13.89	15.08
78½	61½	Do. 8⅞pcLn. '92-97	65½	.....	14.37	15.00
102	85	Do. 12½pc. Uns. Ln. 1992	89	.....	14.49	—

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

224	121	Com'l Aus. ($A1)	127	.....	Q18c	3.0	7.2	4.6
£173¼	930	Com'zbk DM 10	950	.....	Q26.6%	—	7.5	—
£18½	900	C'hgn. Hbk. Kr100	£10	.....	Q12%	—	11.1	—
41	20	Corinthian 10p	27	.....	†1.85	5.9	5.6	3.1
£24¾	£15	Cred. France F75	£19¼	.....	Q9.87%	—	3.3	—
11	5	Dawes (G. R.)	9	.....	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£67	−½	Q28.12%	—	5.4	—
90	55	F. C. Finance	62	.....	2.2	4.9	5.1	5.7
10¼	5¾	First Nat. 10p	9¾	−½	—	—	—	0.7
4	1¼	Do. Wrrts. 75-83	2¾	.....	—	—	—	—
266	178	Gerrard Natnl.	210	.....	†9.12	—	6.2	—
74	38	Gibbs (A.)	74	+2	2.2	—	4.2	—
270	185	Gillett Bros. £1	196	.....	†16.95	—	12.4	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT
Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.
INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES
Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 68-72 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.57.43
Rio de Janeiro: Avenida Pres. Vargas 418-10. Tel: 253 4848
Rome: Via della Mercede 55. Telex 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88
Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Telex J 27104: Tel; 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex 440340 Tel: (202) 47 8676

ADVERTISEMENT OFFICES
Birmingham: George House, George Road, Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow, Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1.
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Hel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS
Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments—Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OIL & GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

132	56	Messina R0.50	130xd	+5	Q10c	ϕ	4.4

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
81	54	Barymin	64	+7	—	—	—
14½	10	Burma Mines 17½p	12	......	—	—	—
365	170	Cons. Murch. 10c.	330xd	+20	Q100c	ϕ	17.3
440	280	Northgate C$1	440	+25	—	—	—
362	226	R.T.Z.	327	+1	†11.5	3.4	5.0
31	12	Robert Mines	16	+3	—	—	—
65	26	Sabina Inds. C$1.	30	+2	—	—	—
880	470	Tara Exptn. $1	485	+15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

● "Tap" Stock.
* Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
† Interim since increased or resumed.
‡ Interim since reduced, passed or deferred.
‡‡ Tax-free to non-residents on application.
ϕ Figures or report awaited.
†† Unlisted security.
# Price at time of suspension.
¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
♦ Merger bid or reorganisation in progress.
♣ Not comparable.
♠ Same interim: reduced final and/or reduced earnings indicated.
§ Forecast dividend; cover on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
♥ Excluding a final dividend declaration.
❋ Regional price.
‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 16

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Wednesday January 2 1980

Waldheim pessimistic about Iran visit

BY OUR OWN CORRESPONDENT IN TEHRAN

DR. KURT WALDHEIM, UN secretary-general, arrived here yesterday with little immediate hope of his being able to obtain the release of the U.S. diplomats held hostage and no guarantee of seeing Ayatollah Khomeini, the de facto head of state.

Hanging over his visit is the threat of UN sanctions.

However, the security council resolution adopted on Monday night may prove counter-productive to his efforts to resolve the crisis, in the opinion of diplomats here.

Militant Islamic students holding the captives in the U.S. embassy have said that the threat will not make them drop their demand for the return of the Shah to Iran for trial before the hostages are released.

At the airport, where he was met by Mr. Sadegh Qotbazadeh, the Foreign Minister, Dr. Waldheim said: "My visit here to Iran will provide an opportunity for an exchange of views."

He warned that not too much should be expected from his visit.

The Iranian authorities have somewhat ambivalently played down the visit that Mr. Qotbazadeh described as a fact-finding mission. He denied that the trip was the result of U.S. pressure and termed the UN resolution as a defeat for Washington because sanctions had not been imposed immediately.

It is possible that Dr. Waldheim will meet the ruling Revolutionary Council. This offers the best chance of a breakthrough as the council is believed to consider the continued crisis over the hostages as a severe embarrassment and to be willing to look at any option for breaking the impasse.

Apart from the students, the main stumbling block still appears to be Ayatollah Khomeini. Last week he told a diplomat that Iran could not "surrender" because Islam did not allow it.

Last night, however, communication between him and the Revolutionary Council seemed to have broken down.

Yesterday Kurdish guerrillas and revolutionary guards clashed for the second time in 24 hours in the town of Sanandaj.

At least one person was killed and five wounded but — with heavy shooting continuing — it was believed that the toll may have been higher.

Three of the latter were reported by the official Pars news agency to have been killed at the weekend in an ambush in Baluchistan-Sistan, the province bordering Afghanistan.

Last week Mr. Embrahim Yazdi, the former Foreign Minister, was sent to the provincial capital of Zahedan but returned without announcing a settlement.

Our UN Correspondent reports: After more than a week of hard bargaining with Third World and Communist members, the U.S. has attained the limited goal of placing the Security Council on record in favour of sanctions against Iran if the American hostages in Teheran are not released by January 7.

In calling once again for their freedom the Security Council decided to meet next Monday "to review the situation." The resolution, submitted by the U.S. and adopted by 11 to none, declared that if the Iranian authorities failed to comply the council would "adopt effective measures under Articles 39 and 41 of the Charter of the United Nations."

These articles provide for complete or partial interruption of economic relations and communications. But it was evident yesterday from the voting pattern and statements made by a number of delegates in the council chamber that if the Iranians are still holding the hostages by next Monday's deadline the U.S. will be hard pressed to obtain the enforcement measures it wants, notwithstanding the favourable resolution.

The Soviet Union, Czechoslovakia, Kuwait and Bangladesh abstained. Some members which supported the resolution questioned the wisdom of threatening sanctions before the results of Dr. Waldheim's mission were known.

The Soviet delegate, Mr. Oleg Troyanovsky, went almost as far as to threaten to veto any future sanctions resolution. He rejected the American argument that Iranian actions threatened international peace and security—the legal basis for mandatory enforcement measures

Israel fears U.S. pressure

BY DAVID LENNON IN TEL AVIV

THE ISRAELI Government fears that the U.S. decision to increase aid by only $200m for the next financial year is the beginning of political pressure related to the lack of progress in talks with Egypt on "autonomy" for the Arab inhabitants of the West Bank and Gaza Strip.

The Administration's decision was announced on Monday after talks with Mr. Ezer Weizman, Minister of Defence.

No reassurance is felt here from the White House statement.

This suggested that the granting of an increase in arms sales credits at a time when the U.S. Government was trying to hold down spending reflected sympathy and concern for Israel's security and well-being.

Israel had sought a $3.4bn aid package for the 1980-81 fiscal year and officials said that the decision to add only $200m to the current aid level of $1.785bn amounted to a cutback in real terms.

They said that Washington was well aware that Israel needs more aid, so that the decision not to increase the economic assistance was clearly politically motivated.

There was considerable disappointment here that the emergency visit to Washington by Mr. Weizman, had failed to win a larger allocation, though it was not expected that the full amount would be obtained.

As it was, the Minister said on his return to Israel that but for the last-minute efforts of the Government it would not have achieved even the small increase.

The additional $200m will bear 9 per cent interest.

Israel had hoped the addition would be a grant or at least be provided at the concessionary interest rate of 2 or 3 per cent.

Gold reaches new peak

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

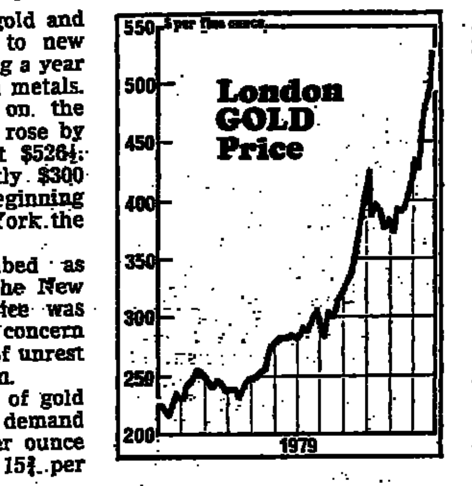
THE PRICES of both gold and silver jumped sharply to new peake on Monday, ending a year of record gains for both metals.

The price of gold on the London bullion market rose by $16½ an oz to close at $526¼. This was almost exactly $300 higher than at the beginning of 1979. Later in New York the price rose to $530.

Trading was described as relatively thin before the New Year holiday. The price was boosted by further concern about the implications of unrest in Iran and Afghanistan.

The rise in the price of gold contributed to further demand for silver. The price per ounce jumped by 197.15p, or 15¾ per cent, to 1,446.85p.

The rise in the silver price on Monday was equivalent to two-thirds of the total price of 296.9p at the start of 1979.



The unprecedented rise in prices of both metals in 1979 was the result of a general switch away from currencies, especially the dollar, in response to increased worries about inflation, world economic outlook and the Middle East.

The foreign exchange markets were generally quiet on Monday, with the dollar and sterling marginally down on the day.

The approach of the steelworkers' strike undermined the pound, which dropped by 1.45 cents against the dollar to $2.22, compared with $2.0410 at the beginning of 1979.

The trade-weighted index, measuring the value of sterling against a basket of currencies, slipped by 0.1 points to 70.2. This represented a 9.7 per cent appreciation in 1979.

Repayments will lower reserves

BY DAVID MARSH

THE figures for Britain's December official reserves due on Thursday, are likely to show a fall of several hundred million dollars as a result of end-year repayments of Government foreign debt.

The drop will probably be partially offset, however, by inflows of foreign currency resulting from small-scale Bank of England intervention to smooth the continuous rise of sterling on the foreign exchange market last month.

Among the official debt repayments during the month was a further $160m of a $1bn Eurocurrency borrowing by the Electricity Council arranged in 1973.

A total of $375m of the loan had already been repaid, and the outstanding balance of $465m will be repaid ahead of the original schedule in January and February as part of the Government's policy of progressively lowering Britain's outstanding foreign debt.

The Government also repaid during December a further portion of the long-term reconstruction loans raised after the Second World War from the U.S. and Canada.

The Bank of England has not changed its basic policy of standing back from significant intervention on the foreign exchange market. The pound's gain to a 3½-month high against the dollar and other leading currencies during December largely reflected a free float.

Nonetheless, the bank is thought to have made small day-to-day smoothing purchases of dollars during the almost continuous period of upward pressure on the pound.

These will have resulted in some increases in the reserves.

Despite an inflation rate well above the international average and a current account deficit during the year rather than the surplus that was forecast at the start of 1979, sterling finished the year considerably higher.

The rise was almost entirely due to the benefits to Britain's North Sea oil reserves resulting from the upsurge in world oil prices and the upheaval in Iran.

With these factors likely to continue supporting the pound in the early part of 1980, there is little prospect for an improvement in the deteriorating competitive position of UK exporters.

Afghanistan Continued from Page 1

part, and described the protest as a demonstration against the aggression of both East and West.

After several days of hesitation India has firmly asked the Soviet Union to withdraw its troops from Afghanistan, and expressed "deep concern" at the Soviet military involvement.

Mr. Charan Singh, India's caretaker Prime Minister, called in the Soviet Ambassador—an unusual move, as such messages are usually conveyed by Foreign Office officials.

The Indian Government has let it be known that it views with "grave concern" the U.S. decision to reconsider arms sales to Pakistan. The U.S. Ambassador to India was summoned to the Foreign Office to be told this.

First Chinese reaction came yesterday in a front-page commentary in the Communist Party newspaper, The People's Daily.

It said there would be no peace "in the arc from South Asia to the Horn of Africa" while Soviet troops remained in Afghanistan.

Record year for airliner sales Continued from Page 1

short-to-medium range 757, the second of Boeing's new generation of jet airliners, now under development.

So far, Boeing has collected only two orders for the 757 — for 19 aircraft with 18 on option from British Airways, and for 21 with another 22 on option from Eastern Airlines.

However, Boeing is convinced that sales of the 757 will be forthcoming as airlines decide to replace ageing 727s.

Boeing now has a total backlog of 600 undelivered jets. Even at its present production rate of 28 jets a month, it has enough work to keep its factories fully occupied through to late 1982 or early 1983.

Boeing also holds what are called "unannounced acceptances" for 343 aircraft. These are firm orders not yet announced, or which require further action on the part of the purchasing airlines, possibly completing financing arrangements or gaining government approval.

These cover 15 more 767s, 130 additional 727s, 120 more 737s and 78 Jumbo jets. These orders are likely to be announced during 1980.

If these "unannounced acceptances" are taken into account, Boeing's performance in 1979 was substantially better than in 1978, when it sold 465 jets.

But the company was overtaken in many world markets by Airbus Industrie, the European consortium building the wide-bodied 250-seat A-300 and smaller 200-seat A-310 Airbuses. British Aerospace has a 20 per cent stake in the group, building the wings for all Airbuses.

Airbus Industrie won orders for 221 Airbuses, both A-300s and A-310s. Its order book stands at 396 aircraft (254 firm and 142 on option). This total is likely to exceed 400 early in the New Year, since several additional sales are now in negotiation.

Airbus Industrie won nearly 30 per cent of all firm new jet orders in 1979, and now ranks second among wide-bodied jet airliner manufacturers after Boeing.

Lockheed of California had a better year than expected with its TriStar, especially the long-range Series 500 version. The company logged new orders for 35 aircraft, and now has firm orders for 237, with another 70 on option.

McDonnell Douglas also fared well despite difficulties the DC-10 grounding in the summer. There were 47 DC-10 orders, with 46 on option. The short-to-medium range DC-9 scored 62 sales, with another 23 on option.

Weather

UK TODAY

London, E. Midlands, N.W., Cent. N. England, S.W. Scotland S.E., Cent. S. England, W. Midlands, Wales, I. of Man, N. Ireland

Dry, bright intervals, patchy freezing fog, frost early and late. Max. 5C (41F).

E. Anglia, E., N.E. England, Borders, Rest of Scotland, Orkney, Shetland

Wintry showers, snow in some hilly areas, sunny or clear periods, frost early and late. Max. 4C (39F).

S.W. England

Rather cloudy, occasional rain or sleet, cold with frost. Max. 7C (45F).

Outlook: Fog patches, persisting all day

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	10	50	London	C	2	36
Algiers	F	18	64	Luxmbg.	C	−2	28
Amsdm.	S	4	39	Luxor	S	13	55
Athens	C	13	55	Madrid	S	15	59
Barclna.	F	13	55	Majorca	F	18	64
Beirut	S	19	66	Malaga	C	17	63
Belfast	S	1	34	Malta	F	13	55
Belgrd.	C	1	34	M'chstr	S	−2	28
Berlin	F	1	34	Melbne.	C	19	66
Biarritz	R	12	54	Milan	S	6	43
Bmghm.	C	0	32	Mntreal.	C	−2	28
Blackpl.	S	0	32	Moscow	C	−7	19
Bordx.	C	4	39	Munich	F	−2	28
Boulgn.	F	2	36	Nairobi	S	25	77
Bristol	C	0	32	Naples	S	8	46
Brussels	F	2	36	Nwcstl.	S	0	32
Budpst.	C	1	34	N. York	S	2	36
B. Aires	S	20	68	Nice	F	7	45
Cairo	S	21	70	Nicosia	C	18	64
Cardiff	C	1	34	Oporto	R	14	57
Cas'b'ca	F	18	64	Oslo	C	—	28
Cape T.	C	21	70	Paris	F	1	34
Chicago	C	−3	27	Perth	S	33	93
Cologne	Sn	1	34	Prague	F	0	32
Cpnhgn.	F	−1	30	Reykjvk.	F	−5	23
Corfu	F	9	48	Rhodes	F	14	57
Dublin	C	3	37	Rio J'o	S	24	75
Dbrvnk.	S	6	43	Rome	S	11	52
Embgh.	S	−1	30	Salzbrg.	Sn	−1	30
Faro	F	16	61	Singapr.	S	31	88
Florence	S	4	39	Stckhm.	F	−2	28
Frankft.	F	1	34	Strasbg.	F	1	34
Funchal	C	18	64	Sydney	C	25	77
Geneva	F	1	34	Tangier	F	16	61
Gibrltr.	S	17	63	Tehran	S	1	34
Glasgow	S	−1	30	Tel Aviv	S	17	63
G'nsey	R	5	41	Tenerife	F	15	59
Helsinki	Sn	−3	27	Tokyo	C	8	46
H. Kong	S	21	70	Toronto	C	1	34
Innsbrk.	C	−2	28	Tunis	F	11	52
I.o.Man	S	2	36	Valencia	S	19	66
Jersey	R	5	41	Venice	S	4	39
Jo'burg	S	27	81	Vienna	F	2	36
L. Plms.	F	20	68	Warsaw	C	−2	28
Lisbon	C	16	61	Zurich	F	−1	30
Locarno	S	4	39				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Personal bankruptcy abolition urged

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

SIR KENNETH CORK'S Insolvency Law Review Committee has advised the Government to abolish personal bankruptcy procedures in most cases of personal insolvency.

It also plans to recommend major changes in the law governing receivers, groups of companies, preferential creditors, fraudulent trading and reservation of title in the supply of goods.

It is unlikely, however, to propose any changes in the use of floating debenture charges by banks.

The Government committee of inquiry has told the Department of Trade in an interim report that the average individual bankrupt should not be subjected to the rigour and disgrace of formal bankruptcy procedures.

Instead, it proposes that most cases should be dealt with through simple schemes of arrangement, organised through the courts.

Undischarged bankrupts face severe restrictions on their financial and business activities: for example, they may not contract trade credit of more than £50, and they cannot operate a bank account without permission of the trustee in bankruptcy.

Sir Kenneth, who has just retired as Lord Mayor of London, told the Financial Times in an interview that 90 per cent of bankruptcies were small and "a waste of time and money." Bankruptcy, he said, "should be reserved for the bad cases."

Turning to company insolvencies, Sir Kenneth said his committee was "determined to do something" about the problem posed by a company within a group which is allowed to go to the wall without recourse to the assets of other group companies.

His own preferred solution was to make creditors of an insolvent subsidiary the deferred creditors of all other companies in the group.

This would mean that the creditors of each subsidiary would be paid out first before the company had to meet deficiencies from elsewhere in the group.

The issue of group company responsibility for the debts of an individual subsidiary was recently in the news because of the City case of Esperanza, a company chaired by Lord Kissen.

At several stages during a court case affecting Esperanza's subsidiary, Caleb Brett, it was stated that the holding company would not come to the relief of the subsidiary which faced winding-up as a result of a £1m damages claim.

Caleb Brett lost the case, but was not wound up, as expected, two weeks ago after Esperanza had apparently come to its aid after all.

The committee is also likely to recommend that severe restrictions be placed on the scale of preferential creditors in an insolvency, particularly as regards taxes such as PAYE and VAT. Taxes should be preferential only to the extent that they could not be collected with proper diligence, Sir Kenneth said.

In practice this might mean that PAYE and VAT would be preferential over all other debts only to the extent that they were up to, say, three months due. "So many times a receiver finds that a company's assets are swamped by preferential creditors," Sir Kenneth commented.

Sir Kenneth said his committee would make a number of reforming recommendations on the appointment of receivers. First, it would be recommended that a receiver should have statutory duty to realise an insolvent company's assets for the benefit of all creditors, rather than the debenture-holder as at present.

Secondly, the committee would propose that all receivers should be members of one of the main accountancy bodies.

Finally, receivers should have an obligation to call a meeting of all creditors, and creditors would in turn have the right to appoint a committee to consult with the receiver.

THE LEX COLUMN

The view across the valley

The key to the performance of the financial markets in 1980 is going to lie in the coming recession: in how rapidly it develops and in how deep it turns out to be. There is a precedent in the severe world economic recession which followed the 1973-74 oil price rises. Yet there is bound to remain considerable uncertainty about how the latest price shocks will affect the world economy in general and the British economy in particular.

The impact of a cyclical recession on the financial markets is almost wholly beneficial in the short term. Whereas share and bond prices have in recent months been labouring under weight of a monetary squeeze and inflationary pressure on profits and real returns, an economic downturn should bring relief.

Optimistic

Certainly investors in the gilt-edged market appear to be in a relatively optimistic frame of mind. Brokers L. Messel's survey of gilt market opinion has found, after a poll conducted just before Christmas, that the average expectation is that Minimum Lending Rate will be down to around 12 per cent in a year's time, while the yield on long-dated stocks will fall by perhaps two points.

The survey did not cover equities and it is certainly less automatic that share prices will respond to lower interest rates in what are bound to be otherwise poor business conditions. Historically, however, the turn that of gilts by more than a few months.

There is a slight problem here, in that the current bear phase since the equity market's election-time peak at the beginning of last May has lasted only eight months—very short when compared with the length of a normal bear market. But the pattern of bull and bear markets has become much less clear and regular since 1974. And anyway, it could be argued thatthe rogue bull surge last spring had nothing to do with the underlying cyclical pattern, and it has now been over 15 months since the previous peak in September, 1978. This is long enough to suggest that he equity market will bottom within the first half of this year, assuming it has not done so already.

On balance, equities still remain vulnerable for the time being. The severe financial deficit faced by the non-North Sea corporate sector this year has been widely discussed. Classically, major bear market bottoms have been marked by a headline-catching crisis for a big company—Rolls-Royce in 1971, Burmah Oil at the end of 1974.

Index fell 3.6 to 414.2

The coming three months, for instance, will bring a surge of poor results for calendar 1979 (accompanied by noticeably weaker balance sheets), while the December CBI monthly trends inquiry reported "more than adequate" stocks, weak order books and a slight majority expectation of falling output.

Companies will have to reassess their stock levels and investment plans, and more crucially for share prices they also may need to take a more jaundiced view of dividends. Inflation adjusted accounts are going to be essential reading here. The shape of things to come may be indicated by the disclosure by Johnson and Firth Brown, in the annual report published today, that its reported £10.2m historic cost pre-tax profit figure would be converted into a loss of £4.5m on the basis of the ED 24 draft inflation accounting standard. The year 1979 was possibly the best ever for dividend growth; this year is likely to be one of the worst.

Shrinking deficit

At some stage during 1980, it will be possible to look beyond the worst phase to the prospect of recovering profits and a much shrunken corporate sector deficit. By that time share prices will be rising again.

Inevitably, ohwever, there are potential pitfalls. Indeed, the optimism of Messel's respondents is itself slightly worrying, partly because the same investors proved widly optimistic last year in the same survey, and partly because it suggests that the stock market is vulnerable to disappointment. The most important area where this could happen is in the Government's fiscal / monetary policy balance, with all its implications for interest rates, sterling, and inflation.

As present the expectation is roughly as follows. The PSBR will be held to little more than £9bn in the 1980-81 financial year, much the same in money terms as in 1979-80. Meanwhile private sector loan demand, which roughly doubled to nearly £9bn in calendar 1979, ought to subside. These two factors should make it much easier for the Government to regain control of monetary growth, and to reach a central target for next October which — given that there has been so much overshooting in the past few months —requires that the annualised rate of growth of sterling M3 should be no more than 7 per cent from now on.

Public spending

But there is a strong danger of slippage, perhaps because of industry's financial difficulties, but more likely because the Government will find it impracticable to hold down public spending That could lead to a weakening of sterling, and could endanger the current assumption that inflation — after peaking at around the time of the spring Budget — will be firmly on the way down in the later months of 1980.

Although there is a risk of further energy shortages as a result of war in the Middle East, the central expectation is that oil should be relatively easily available in the coming year — there may even be a glut. Gold would be an early casualty of any oil price weakness, which might also take some of the wind out of sterling's sails.

The chronic volatility of currencies—especially the dollar —and the risks being run by the international banking system inevitably cast a shadow over 1980. But for the UK stock market it is nevertheless possible to look forward to some sort of cyclical turning point.

Such a recovery would not in itself, however, imply any change in the secular trend towards lower profitability in industry and very low or negative real returns on shares and gilt-edged. The chances of a change in this trend will become clearer when it can be seen just how far the Conservative Government will be pushed off course by the problems which emerge as the economy moves into decline.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.